



**MEMORANDUM
HUMAN RESOURCES**

TO: Board of Supervisors
FROM: Lori Walsh, Director of Human Resources
SUBJECT: Placer County Deputy Sheriff's Association - Increased Life Insurance

DATE: 9/27/2016

ACTION REQUESTED

Authorize the Director of Human Resources to sign the Amendment to the Employer's Supplemental Application and Subscription Agreement with GREAT Insurance Services to increase the employer paid life insurance coverage from \$10,000 to \$50,000 for employees represented by the Placer County Deputy Sheriff's Association (PCDSA) based on provisions included in the recently negotiation Memorandum of Understanding.

BACKGROUND

The County and the PCDSA engaged in collective bargaining and reached agreement on a successor Memorandum of Understanding (MOU) covering the period of July 1, 2015, to June 30, 2018.

Placer County currently provides \$10,000 of basic life insurance coverage to PCDSA members. A provision in the recently negotiated MOU increases basic life insurance coverage to \$50,000 for PCDSA members.

FISCAL IMPACT

The cost of the additional life insurance coverage is \$96.00 per PCDSA member annually, for a countywide annual cost of \$22,560. Employer costs are budgeted in each employing department budget.

ATTACHMENTS

- Attachment 1 - GREAT Insurance Services Amendment
- Attachment 2 - GREAT Insurance Services Supplemental Application and Subscription Agreement

Attachment 1

AMENDMENT TO EMPLOYER'S SUPPLEMENTAL APPLICATION
AND SUBSCRIPTION AGREEMENT

POLICY NUMBER P1060 SUB-GROUP NUMBER .1

EMPLOYER COUNTY OF PLACER

AMENDMENT (S) TO BECOME EFFECTIVE _____

Reliastar Life Insurance Company of New York is hereby requested and authorized to amend the above mentioned Employer's Supplemental Application and Subscription Agreement in order to give effect to the following amendments. Any statements made herein or in connection herewith are to be of the same effect as if they were part of the Employer's Application and Subscription Agreement.

These are the amendments referred to above:

1.5 SCHEDULE OF BENEFITS shall be changed to include:

<u>CLASS</u>	<u>CLASS DESCRIPTION</u>	<u>BASIC AMOUNT</u>
3	All DSA Employees	50,000

Dated at AUBURN, CA this ___ day of _____ 20__

Employer COUNTY OF PLACER

Witness _____ By _____

Title _____

RECORDED AND ACCEPTED ON BEHALF OF
RELIASTAR LIFE INSURANCE SOMpany OF NEW YORK

Date _____ By G.R.E.A.T. Insurance Services, Inc. _____,
Administrator

Page ___ of ___

Attachment 2

G.R.E.A.T. Trust
Employer's Supplemental Application
And Subscription Agreement



Pacific Standard
Life Insurance Company

EXECUTIVE OFFICES / DAVIS, CA 95616-4397
P.O. Box 1796 / SACRAMENTO, CA 95808-1796 / Phone (916) 758-3030

Employer: County of Placer
Address: 175 Fulweiler Avenue
City: Auburn State: CA Zip: 95603
Telephone No.: (196) 823-4761 Corporation Partnership Proprietorship
Nature of Business: Government
Affiliates/Subsidiaries: N/A

I. Supplemental Application For Group Term Life Insurance

Complete Section I Only if applying for Group Term Life Insurance

1.01 **Application:** The Employer hereby applies for pre-retirement post-retirement Group Term Life Insurance for its eligible employees in accordance with its Plan of Group Term Life Insurance through one or more of the policies issued by Pacific Standard Life Insurance Company ("Company") to the Group Retirement Employers Affiliated Trust ("G.R.E.A.T. Trust").

1.02 **Other Group Life Insurance Coverage:** Is there any other group life insurance policy issued to the Employer currently in force, and/or is there any other pending group life insurance application by the Employer? This would include planned or contemplated coverages.

No Yes, as follows:

Name of Insurer(s)	<u>Great West Life Assurance</u>	<u>Standard of Oregon</u>
Policy Number(s)	<u>24608</u>	<u>452841</u>
Effective Date(s)	<u>through 12/31/86</u>	<u>through 12/31/86</u>
Maximum Guarantee Issue Benefit(s)	<u>\$6,000</u>	<u>\$50,000</u>
Descriptive Booklet(s) attached	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

1.03 **Requested Employer Unit Entry Date:** The Employer requests that insurance become effective on the first fifteenth day of January, 1987, with the express understanding that no insurance under the Employer Unit shall take effect until:

- 1.031 (a) the Employer's Supplemental Application has been approved by the Company in writing; and
- (b) the full initial premium for the mode of payment selected by the Employer has been paid to the Company through the Manager of the G.R.E.A.T. Trust.

In respect of any employee of the Employer, insurance shall take effect on the Employee Entry Date when all of the following conditions have been satisfied.

- 1.032 The employee must be eligible for insurance as indicated in Sections 1.05.
- 1.033 The employee must submit a completed application card to the Company through the Manager of the G.R.E.A.T. Trust. If evidence of insurability is required with the application, the Company must approve the application in writing.
- 1.034 The employee must complete the waiting period requirement as shown in Section 1.04.
- 1.035 In respect of pre-retirement Benefits, the employee must be actively at work at his regular place of business for full time and full pay, unless the Employee Entry Date otherwise determined is not a regular working day. In this event, the employee must be actively at work at his regular place of business for full time and full pay on the last regular work day preceding such Employee Entry Date.

In no event shall the Employee Entry Date for any employee be prior to the Employer Entry Date.

1.04 **Waiting Period Requirements:** for pre-retirement benefits only

Present eligible employees — 0 months or standard 0 months
 Future eligible employees — 1 months or standard 2 months

1.05 **Schedule of Insurance:** All individuals associated with the Employer as:

- (i) full-time employees at work in the service of the Employer at least 20 30 hours per week at their regular place of employment for full pay,
 - (ii) part-time employees including part-time corporate officers of the Employer who perform regular duties in the employ of the Employer for which they are compensated by the employer at least \$1,000 per year,
 - (iii) retired employees
- are eligible for insurance under the Employer Unit according to the following schedule:

Class	Class Description	Pre-Retirement		Post-Retirement	
		Basic Amount	Optional Amount	Basic Amount	Optional Amount
1	All Employees	10,000	none	none	none

1.06 **Underwriting:** The amount of insurance which will be available without evidence of insurability will be determined for each life insured according to the company's current practice.

1.07 **Additional Benefits**

1.071 **Accidental Death and Dismemberment:** This benefit shall not be included. It is available only to employees prior to their 70th birthday or earlier retirement. The amount of Benefit shall be equal to the amount of pre-retirement insurance in Section 1.05 subject to a maximum of \$300,000.

1.072 **Dependent Group Life:** This benefit shall not be included, in respect of classes
 all classes. It is available only to employees prior to their 70th birthday or earlier retirement. The amount of Benefit shall be:

(a) spouse only: \$; % of the employee's Amount of pre-retirement Insurance in Section 1.05.

(b) spouse: \$; % of the employee's Amount of pre-retirement Insurance in Section 1.05, and \$2,000 on each child.

1.073 **Extended Death Benefit:** This Benefit shall not be included with Group Term Life Insurance. It is available only for employees who are totally disabled prior to their 60th birthday.

1.08 **Termination Age or Date:** Insurance in respect of any employee and his dependents, if applicable, shall terminate as follows:

1.081 For pre-retirement only Group Term Life Insurance — age 70
 date of retirement (only if 25 or more employees are insured).

1.082 For pre-retirement Group Term Life Insurance (written with post-retirement) — date of retirement, without regard to age.

1.083 For post-retirement Group Term Life Insurance — no age limit.

1.084 For Additional Benefits — the anniversary of the Employer Unit Entry Date coincident with or next following the employee's 70th birthday or earlier retirement, or on the date in 1.081 whichever is earlier.

1.09 **Premium Due Date:** Premiums for pre-retirement benefits shall be due and payable on the first fifteenth day of the month on a monthly quarterly semi-annual annual basis. There is a service fee charged for each modal billing.

1.10 **Contributions to Premium:** Shall employee contributions toward the cost of Benefits be required?

	<u>Pre-Retirement</u>	<u>Post-Retirement</u>
For Basic amounts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
For Optional amounts?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
For Additional Benefits?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> shall	

1.11 **Term Conversion Privilege:** Employees shall not have the right to convert to Group Term Life Insurance upon termination.

1.12 **Death Benefit:** All Death Benefits shall be payable to the insured's estate unless otherwise indicated. Participants in this plan shall be as listed in exhibit dated _____ or as per any addendums.

1.13 **Special Requests:** _____

II. Supplemental Application For Retired Lives Reserve

Complete Section II **Only** if applying for Retired Lives Reserve.

2.01 **Application:** The Employer hereby applies for Benefits provided under the Retired Lives Reserve Contract ("Contract") issued by Pacific Standard Life Insurance Company ("Company") to the Group Retirement Employers Affiliated Trust ("G.R.E.A.T. Trust").

2.02 **Requested Employer Unit Entry Date:** first fifteenth day of _____ 19__

2.03 **Purpose of Contract:** The Contract is intended to provide a means for the Employer to prefund premiums for post-retirement Group Term Life Insurance on its eligible employees by accumulating a fund ("Employer's Account"). The program is intended to comply with the provisions of Revenue Ruling 69-382. While the Contract is in force, no portion of any Employer's Account shall be subject to recapture by the Employer so long as any active or retired employee remains alive.

2.04 **Benefits:** The Benefits provided under the Contract consist of the payment of premiums for Group Term Life Insurance on the lives of active or retired employees. This Contract does not provide Group Term Life Insurance.

2.05 **Funding Schedule:** Employer contributions shall be the amount required to prefund the Benefits, based on reasonable actuarial assumptions. No contributions shall be made in excess of the level amount required to allocate fairly the cost of the employee's Benefits over the working life of the employee. Contributions shall be paid monthly quarterly semi-annually annually.

The amount of post-retirement life insurance to which the Benefits shall be applied, shall be as indicated in Section 1.05 or as shown below:

Class	Class Description	Amount of Post-Retirement Life Insurance to which Benefits shall be applied
1		
2		
3		
4		
5		
6		

- 2.06 **Funding Period:** Funding in respect of any employee shall commence:
- when an employee is first eligible to be funded for post-retirement life insurance.
 - when an employee, after becoming eligible to be funded for post-retirement life insurance, has completed _____ years of service and has attained _____ years of age.

Funding in respect of any employee shall continue until

- (i) retirement: age _____ (please specify);
- (ii) beyond retirement if any employee has not had funding deposits made on his behalf for over a minimum of _____ years at retirement.

There is a minimum funding period of 5 years in respect to any employee.

- 2.07 **Method of Applying the Employer's Account to Provide Benefits:** The Employer must select one of the following methods best suited to the employer.

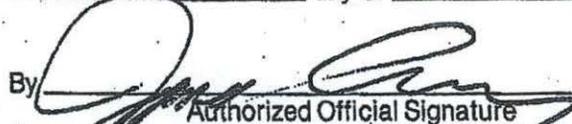
- Method 1:** As each employee entitled to post-retirement Group Term Life Insurance reaches the end of the Funding Period, the Company is directed to withdraw from the Employer's Account the amount actuarially determined by the Company to be necessary to pay for all future Benefits for the retired employee.
- Method 2:** The Company is directed to withdraw annually from the Employer's Account the premiums then due to provide Group Term Life Insurance on the life of the employee. This method may not be elected if the post-retirement insurance is not subject to evidence of insurability, except if the Funding Period is 10 years or longer.

2.08 **Special Requests:** _____

III. Subscription To The G.R.E.A.T. Trust

- 3.01 **Subscription Agreement:** The Employer hereby agrees to the terms and conditions of the G.R.E.A.T. Trust Agreement, the Policy(ies), the Contract and the Employer's Supplemental Application and further agrees to comply with the rules of the Trustee, the Company and the Manager of the G.R.E.A.T. Trust, as amended from time to time.
- 3.02 **Employer's Plan:** The Employer agrees that neither the Company, nor its agents, nor the Trustee, nor the Board, nor the Manager of the G.R.E.A.T. Trust is a party to the Employer's Plan of Group Term Life Insurance and further agrees that compliance with I.R.C. Section 79 and ERISA and any other federal or state laws shall be the responsibility of the Employer.
- 3.03 **Attestation:** On behalf of the Employer, the undersigned authorized official hereby certifies that (1) the information given by the Employer in its Supplemental Application(s) is accurate and complete; (2) the Employer will provide the Manager of the G.R.E.A.T. Trust and the Company such information as is required to properly service the Policy(ies) and the Contract; (3) the Employer will make timely contributions to the Manager to pay premiums for insurance and/or to fund the Employer's Account under the Contract; (4) the Employer hereby applies for the Benefits as provided in its Supplemental Application and subscribes to the G.R.E.A.T. Trust.

Executed this 15th day of December, 19 86 at Auburn, California

By  Title Personnel Director
 Authorized Official Signature

Witness  PRIMO J. SANTINI, JR.
 Agent's Signature Print Agent's Name

Agent's Address P.O. BOX 158, LINCOLN, CALIFORNIA 95648 Phone No. 645-3333



EXECUTIVE OFFICES, DAVIS, CALIFORNIA 95616
P.O. BOX 1786 / SACRAMENTO, CALIF. 95808 / PHONE (916) 756-3030

G.R.E.A.T. TRUST

AMENDMENT TO EMPLOYER'S SUPPLEMENTAL
APPLICATION AND SUBSCRIPTION AGREEMENT

Policy Number 3726-T

Sub-Group Number P-1060 & P-1060.5

Employer COUNTY OF PLACER

Amendments to become effective January 1, 1988

The Pacific Standard Life Insurance Company is hereby requested and authorized to amend the above-mentioned Employer's Supplemental Application and Subscription Agreement in order to give effect to the following amendments. Any statements made herein or in connection herewith are to be of the same effect as if they were part of the Employer's Supplemental Application and Subscription Agreement.

These are the amendments referred to above:

1.05 SCHEDULE OF BENEFITS shall be changed to include: SUPPLEMENTAL COVERAGE

CLASS	DESCRIPTION	AMOUNT OF COVERAGE
I	All Employees*	\$25,000, \$50,000, \$75,000, \$100,000
II	Spouses*	\$12,500, \$25,000, \$50,000
III	Dependents	\$5,000, \$7,500, \$10,000

*EVIDENCE OF INSURABILITY IS REQUIRED

X Dated at Auburn, California this 16th day of February, 1988

Employer COUNTY OF PLACER

X By [Signature] X Title Pres Dir.

X Witness [Signature]

Recorded and accepted on behalf of Pacific Standard Life Insurance Company this 25th day of MARCH 1988.

By G.R.E.A.T. TRUST [Signature]
Signature

Amendment Number _____

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