

Did You Know?

The Importance of Correctly Reporting Salaries

Since death benefit payments, short term disability payments and long term disability payments are often based on plan members' salaries, it is essential that members' salaries are reported accurately on a regular basis in order to avoid incorrect benefit payments.

It is the responsibility of the plan administrator to provide salaries according to the definition of salary stipulated under your contract. If you neglect to maintain and report accurate salary information and do not pay premiums based on current salaries, it could lead to potential liabilities for the employer.



Living Benefits Option

Your insurance carrier may offer Living Benefits to terminally ill members with a very short life expectancy. Living benefits can help to ease financial burdens and provide peace of mind at an already stressful time. A portion of the terminally ill person's Basic Group Life insurance benefit can be advanced as a loan. Medical evidence to support the terminally ill condition must be provided and the maximum advance will be based on the benefits schedule, including reduction and termination clauses.

Extension of Benefits – Layoff, Leave of Absence, Severance

Prior to extending benefits to members as part of a severance agreement, layoff or leave of absence, it is important to notify and confirm the extensions with your insurance carrier. Automatic extensions may be applicable in some instances, but procedures and guidelines should be confirmed prior to offering any extensions.