

VOLUNTARY PAYROLL DEDUCTION INSURANCE

Quality Insurance for Employees /
Simplified Management for Employers



Everything Insurance Should Be®

The program

Voluntary benefits allow you to bring the advantage of professional insurance services to employees through the workplace. A completely voluntary program also can be exempt from the requirements of The Employee Retirement Income Security Act (ERISA). Employees can purchase the coverage for themselves, their spouses, children and grandchildren. Employees pay premiums through the convenience of payroll deduction. Meanwhile, employers can classify the program as either an ERISA welfare benefit plan or a voluntary plan exempt from ERISA.¹

Competitive Products

- Whole life level pay and paid up at age 65
- 10- and 20-year term life
- 20-year term return-of-premium life

Eligibility

- Employee must be actively working at least 20 hours per week
- Employee, spouse, children and grandchildren are eligible
- Employee is not required to purchase life insurance on self in order to purchase coverage for eligible family members

Personal service

We can help you with:

- Field seminars
- Employer and employee presentations
- Enrollment support
- Agency training sessions

How the program can be exempt from ERISA²

- ERISA applies to virtually all private-sector employers that maintain welfare benefits plans for their employees regardless of the size of the employer and regardless of whether the employer is a corporation, partnership, limited liability company or nonprofit organization. To qualify for the United States Department of Labor's voluntary plan safe harbor exemption, the program must satisfy several requirements:
 - Employee participation is completely voluntary.
 - Employee pays full premium.
 - Employee does not pay premiums through the employer's Section 125 Cafeteria Plan.
 - Employer has minimal involvement.
 - Employer does not assist employees with claims or disputes.
 - Employer does not endorse the program, but can permit you to publicize the program to its employees and can collect premiums through payroll deductions.
 - Employer does not send premium notices or assume liability for any premium payments.
 - Employer does not associate the program with or list it among its sponsored employee benefits.

¹ Each employer's situation is unique. Although ERISA's requirements may add work for some employers, it may provide benefits for other employers. Each employer must determine independently the benefit structure that works best.

² ERISA rules are complex. This list is not exhaustive and should not be construed as legal advice. If the employer needs legal advice to ensure the voluntary life insurance program is exempt from ERISA, the employer should contact legal counsel.

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