

UNITED NATIONS

SECRETARIAT



ADM 350

ST/IC/77/17
28 February 1977

INFORMATION CIRCULAR

To: Members of the staff in the General Service and related categories at offices away from Headquarters

From: The Assistant Secretary-General (Controller)
Office of Financial Services

Subject: GROUP LIFE INSURANCE - EXTENSION OF ELIGIBILITY
AND ENROLMENT PROCEDURES

A. Purpose

1. The purpose of this circular is to announce the extension of eligibility for participation in the Aetna group life insurance plan, as from 1 May 1977, subject to the provisions set out below, for staff in the General Service and related categories at offices away from Headquarters who have not previously been eligible to participate in the plan.

B. Eligibility

2. All staff members in the General Service and related categories with a contract of one year or longer, or who have completed at least one year of service without an interruption of more than 30 days and have been medically cleared for long-term employment, will be eligible for coverage, regardless of duty station. The time-limit requirement for participation in the plan after initial appointment without the provision of proof of insurability will be waived on this occasion for staff in the General Service and related categories at duty stations away from Headquarters where they have been previously ineligible for participation. Applications for enrolment will be accepted from 1 to 30 April 1977. The effective date of coverage for these staff members will be 1 May 1977, except those on sick leave or disability status on that date; in the latter cases, the effective date will be the date of their return to work.

C. Insurance schedule and benefits outline

3. The current insurance schedule, showing the amounts of coverage which can be purchased in relation to pensionable remuneration and the corresponding monthly

contributions, appears in annex I. The group life insurance plan is financed from participating staff members' contributions.

4. The insurance coverage for eligible staff members consists of (a) a principal sum, payable in the event of death from any cause at any time or place, and (b) an additional sum payable in the event of accidental death or dismemberment. This additional insurance provides payment of an amount equal to the principal sum in the case of accidental loss of life, or of both hands, or of both feet, or of one hand and one foot, or of one hand and the sight of one eye, or of one foot and the sight of one eye, or of the sight of both eyes; one half the principal sum will be paid in the case of accidental loss of one hand, or of one foot, or of the sight of one eye. Details of conditions and exclusions appear in the explanatory booklet which will be distributed to all participants.

D. Currency for contributions and benefits

5. Premiums paid to the insurance company and benefits paid by the company will be in United States dollars. Consequently, the amount of the premiums to be paid by the staff members will be established in terms of United States dollars. The contributions of staff in the General Service and related categories will be made by payroll deductions in local currency - although only dollars must be remitted to the insurance company by the reporting office. Staff contributions will correspond to the dollar amount due using the United Nations official exchange rate on the date of payment; thus, the premium cost in local currency terms may vary from month to month.

E. Changes in the amount of insurance

6. The amount of insurance which staff members can purchase is based on their pensionable remuneration, which is expressed in United States dollars. For staff in the General Service and related categories at duty stations away from Headquarters, the life insurance entitlement on joining the plan will be based on the pensionable remuneration in local currency, i.e., the gross salary, converted to United States dollars using the United Nations official exchange rate on the date of enrolment; subsequently, the life insurance coverage can be adjusted upwards (but not downwards) according to the pensionable remuneration in United States dollar terms for the month of July of each year using the United Nations official exchange rate for that month. For administrative reasons and to avoid complications as to entitlements, adjustments in the salary scales approved after July, whatever the effective date of the scales, would not give rise to a change in the life insurance entitlement or premium cost until July of the next year. Therefore, in summary, all participants in the plan entitled to higher coverage as a result of an increase in their pensionable remuneration are automatically placed in the corresponding bracket as at 1 July, unless they elect to retain their coverage in effect up to that time. In this connexion, an information circular containing a waiver of automatic increase (see annex II for specimen) is distributed annually to all participants.

F. Benefits available to separated staff

7. Subject to the conditions defined in paragraphs 8 and 9 below, basic insurance coverage (excluding additional insurance for accidental death and dismemberment) is provided to staff members separated from service.

8. Staff members who, upon separation from service, are participants in the plan and have at least 10 years' contributory participation shall receive, without payment of premium, upon leaving the employment of the Organization:

(a) Prior to the age of 55

One year's coverage at the face value of the policy in effect at the time of separation for each completed 10-year period of contributory participation:

(b) From the age of 55

- (i) From the age of 55 through the 64th year. Coverage in the amount of 45 per cent of the prorated face value of the policy determined at the time of separation in accordance with a formula which is contained and explained in annex III. The resulting benefit shall be subject to the provision that the after-service coverage of a staff member whose life insurance was reduced in accordance with note 2 of annex I shall be the amount it would have been had a reduction not been made following the extension of service beyond the age of 62;
- (ii) From the age of 65 through the 69th year. Coverage in the amount of 22.5 per cent of the prorated face value, as calculated in accordance with subparagraph (i) above;
- (iii) From the 70th birthday onwards. Coverage in the amount of 7.5 per cent of the prorated face value, as calculated in accordance with subparagraph (i) above, subject to a minimum of \$500 and a maximum of \$2,000.

9. In all cases, the after-service benefits with respect to a staff member who was not insured for the full amount to which he or she was entitled during the 10 years immediately preceding the date of separation will be based on a weighted average of the face value of his or her policy for those 10 years.

10. Eligible staff members wishing to join the plan should contact the pertinent administrative unit at their duty station.

Annex I

GROUP LIFE INSURANCE SCHEDULE

SCHEDULE EFFECTIVE 1 JULY 1976		
PENSIONABLE REMUNERATION	FACE AMOUNT OF POLICY	MONTHLY CONTRIBUTION (PREMIUM)
Less than \$ 2 000	\$ 2 000	\$ 0.84
\$ 2 001 to \$ 4 000	6 000	2.52
\$ 4 001 to \$ 6 000	10 000	4.20
\$ 6 001 to \$ 8 000	14 000	5.88
\$ 8 001 to \$10 000	18 000	7.56
\$10 001 to \$12 000	22 000	9.24
\$12 001 to \$14 000	26 000	10.92
\$14 001 to \$16 000	30 000	12.60
\$16 001 to \$18 000	34 000	14.28
\$18 001 to \$20 000	38 000	15.96
\$20 001 to \$22 500	42 500	18.08
\$22 501 to \$25 000	47 500	20.43
\$25 001 to \$27 500	52 500	22.78
\$27 501 to \$30 000	57 500	25.13
\$30 001 or more	65 000	28.65

NOTES:

(a) Coverage for staff members entering the plan at age 60 or later continues to be restricted to \$7,000 group life insurance plus a similar amount of accidental death and dismemberment insurance.

(b) Coverage for staff members whose life insurance exceeds \$29,250 will be automatically reduced to that level on 1 July next following attainment of age 62, plus a similar amount of accidental death and dismemberment insurance.

Annex II

WAIVER OF AUTOMATIC INCREASE

(SPECIMEN)

Date:

To: Payroll Section, room _____

Subject: GROUP LIFE INSURANCE

GROUP POLICY NUMBERS 14008 and LL 14008

1. I hereby certify that I have been given an opportunity to avail myself of the increased group life insurance benefits as offered by the United Nations in information circular ST/IC/... of (date) and have decided not to take advantage of the offer.

2. I understand that in order to obtain increased insurance in the future I will be required to provide evidence of insurability satisfactory to the insurance company. I further understand that the company reserves the right to reject an application for such an increase.

Witness

Signature of staff member

Print or type name in full

/...

Annex III

FORMULA FOR CALCULATING FREE AFTER-SERVICE COVERAGE

1. Former staff members who are eligible for free after-service coverage under paragraphs 7 and 8 of the present circular upon separation from service at or above the age of 55 have free after-service coverage for 45 per cent (from the age of 55 through the 64th year), 22.5 per cent (from the age of 65 through the 69th year) or 7.5 per cent (from the 70th birthday onwards) of the prorated face value of the policy determined at the time of separation.
2. The prorated face value is calculated by using the formula given below, takes into account the number of months of contribution under the new and old schedules during the 10 years (120 months) immediately preceding the date of separation, and provides a credit of 0.2 per cent of the "old schedule" component for each month of participation in excess of 10 years.

$$\text{Prorated face value} = \frac{A \times C}{120} + \frac{B(120-C)}{120} + \frac{2D}{1000}$$

New schedule component	+	Old schedule component	+	Cred: component
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- A = The amount for which insured on separation from service, subject to the provisions in paragraph 8 of the present circular.
- B = The amount for which insured on 30 June 1976, subject to the provisions in paragraph 8 of the present circular.
- C = The number of completed months of contributory participation after 30 June 1976.
- D = The total number of completed months of contributory participation in excess of 10 years.

3. As indicated in paragraph 1 above, the prorated face value is multiplied by $\frac{45}{100}$, $\frac{22.5}{100}$ or $\frac{7.5}{100}$, according to the age of the former staff member, to obtain the benefit, which will be rounded upwards to the nearest \$100. In the case of former staff members aged 70 or older, the benefit will be subject to a minimum of \$500 and a maximum of \$2,000.