

Helpful Information for AAFES Dependents on Pension and Insurance Benefits

We want you to know 'the quick basics' on pension and insurance benefits if your sponsoring AAFES employee/retiree is unavailable due to TDY, PCS, divorce or death.

Remember: **these benefits belong to your sponsor.** To protect their privacy, AAFES can only tell you basic policies, unless you produce a valid Power of Attorney. If sponsor dies, we can only discuss benefits with the named beneficiary/beneficiaries.

For that reason, your sponsor should keep his/her AAFES benefits information in a safe place for reference. This may include plan booklets, enrollment forms and beneficiary form copies. AAFES provides these throughout your sponsor's employment and/or retirement. We encourage employees and retirees to discuss benefits with their dependent(s) at least annually.

Whenever you need assistance, your initial Point of Contact depends on your sponsor's current employment category:

- Active AAFES: contact the Associate Service Center.
- Retired AAFES: contact the HQ Benefits office in Dallas, TX via phone, e-mail or US mail. If you are retired AAFES living overseas, you may want to contact AAFES Human Resources on the closest base/post for faster assistance, due to time differences.

DETAILED CONTACT INFORMATION AT THE END OF THE BROCHURE Health Insurance

IS / WAS SPONSOR ENROLLED? Regular part-time and full-time employees can enroll in health coverage within 31 days of hire/conversion, or at specified later dates. Paycheck stubs show the medical and/or dental plan, the level (single/family) selected and premiums deducted. If a retiree qualified for continued health insurance when they retired, their retirement papers would have given the details.

OTHER COVERAGE ("primary" = pays first, "secondary" = pays second) A person's coverage through their own employer is always primary for them. If you, as a dependent, have your own coverage in addition to AAFES coverage, your own is primary and AAFES is secondary.

For Active employees over age 65: AAFES plan is primary because they're still actively employed and Medicare is secondary.

For Retirees over age 65: Medicare is primary and your current plan is secondary. When a retiree and all covered dependents becomes Medicare-eligible (at age 65, or earlier due to disability) your plan will change to the Traditional Choice Plan if they're not already in that plan due to their location.

IF YOUR SPONSOR DIES If your sponsor had family coverage and dies, you and covered dependents **WILL** be eligible for some "survivor" medical coverage if you were enrolled for at least 90 days. The minimum is 4 months of free medical coverage. Coverage after this is available through AAFES, whether or not AAFES pays for the coverage depends on the active/retired category of your sponsor, the plan they were in, how long they had been enrolled, etc. Cost and coverage period can also vary.

If you only qualify for the minimum 4 months of survivor coverage, continuation plans (similar to COBRA) may be available for purchase from most insurance companies without a medical exam (to prove good health), **IF** you apply for it right away.

IF YOU DIVORCE In cases of divorce, the sponsor's children are still eligible, but a covered ex-spouse would not. The sponsor must log onto www.aafesbenefits.com to remove the ex-spouses coverage. The insurance carrier would provide the ex-spouse with (a HIPAA* statement) proof of previous coverage at AAFES. The ex-spouse should explore coverage options through their own employer or a continuation plan through the DoD NAF Health Benefit Plan. Continuation plans have a limited number of days in which you can enroll – don't delay. Check your Summary Plan Description for details.

*Required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA)

Life Insurance on Sponsor

IS / WAS SPONSOR ENROLLED? Active employees can enroll in a term Life package (Basic Life Insurance + Accidental Death + Disability Income) and Supplemental Life within 31 days of becoming regular full-time or at specified later date with proof of good health. They can name anyone as beneficiary. However, we strongly recommend you not name minor children. Arrange for a Trust or make other arrangements in this case. See an attorney for details. The term Life package is also referred to as the Life/AD&D/Disability package. Paycheck stubs show coverage amount and premiums deducted. Basic Life is the first 2-times salary; Supplemental Life is available for an additional 1-, 2-, 3- or 4-times salary. So, the maximum available is 6-times-salary (Basic 2 + Supplemental 4).

If the employee is enrolled in the Life/AD&D/Disability package, they'll be eligible for Short- and Long-Term Disability Income according to plan rules.

Accidental Death and Disability Income coverage ends at retirement.

If your sponsor is an EMP employee, see the EMP booklet for other life insurance coverage available while actively employed. All EMP Life, Accidental Death and Dismemberment coverage ceases upon retirement.

If a retiree qualified for AAFES paid Basic Life Insurance after retirement, it will be indicated in the documentation HQ Benefits provided at retirement. The coverage value reduces by 25% three times: at age 66, 67 and 68. The retiree should contact HQ Benefits 31 days before the reduction age if they wish to purchase the "lost" amount. After age 68, it will remain at the final 25% level until death.

Supplemental Life Insurance coverage ends at retirement. To continue after retirement, a retiree can convert or port the coverage from a group plan into an individually owned plan within 31 days after retirement. The premiums vary depending on whether you choose to convert or port the life insurance coverage. Contact the Associate Service Center for the conversion or portability form.

IF THE SPONSOR DIES AAFES can only discuss the insurance amount with the beneficiary (we'll always use the most recent form on file). To arrange for payment, the HQ Benefits office must have a certified death certificate and the most recent beneficiary form from the eOPF, eBenefits or our HQ Benefits files (retired employees). For help with burial expenses, the beneficiary or the funeral home can call HQ Benefits to arrange for an 'assignment' of life insurance proceeds directly to the funeral home. If the life insurance payable exceeds \$10,000 (after any assignments have been deducted), Aetna deposits the remainder into a checking account in the beneficiary's name and sends them a set of checks.

IF YOU DIVORCE A beneficiary change is the sponsor's responsibility. Sponsors can name anyone as a beneficiary - even an ex-spouse.

Life Insurance on Dependents

DID SPONSOR ENROLL DEPENDENT(s)? Active regular full-time employees who have life coverage on themselves can also purchase Life Insurance coverage on dependents (spouse and/or children) in varying amounts. The sponsor is always the beneficiary. Paycheck stubs show the coverage amount and premiums deducted. The sponsor can decrease or cancel the coverage at any time or request a limited increase every two years. To continue coverage after retirement, a retiree must convert the coverage from a group plan into an individually owned plan within 31 days after retirement. This life insurance is also portable; application for this must be made prior to retirement. Contact the HR office for the conversion or portability form before retirement.

IF ACTIVE EMPLOYEE'S DEPENDENT DIES AAFES can only discuss the insurance amount with the employee. The HQ Benefits office must have a certified death certificate to pay the amount due to the employee.

IF ACTIVE EMPLOYEE DIVORCES In cases of divorce, the sponsor's children are still eligible, but the ex-spouse would not. The sponsor must log onto www.aafesbenefits.com to remove the ex-spouse's coverage. Contact the HR office for a conversion form within 31 days of divorce to convert the spouse coverage, if desired.

Long Term Care (LTC)

IS / WAS ANYONE ENROLLED? Long Term Care provides financial assistance for home health or nursing home care during a chronic disability or long-lasting illness. Active employees of any age can enroll within 31 days of becoming regular full-time or regular part-time or later with a medical exam. Their spouses, parents and in-laws can also enroll with a medical exam at any time. Also, active military assigned to AAFES, their spouses and parents and in-laws can apply. Rates depend on age.

IF SPONSOR DIES If a retiree had coverage, notify the insurance company to make sure billing stops. If you (spouse) have coverage, confirm the amount and frequency of any future premium payments due, if you wish to continue coverage and where to send payments. If eligible for a survivor benefit from the pension plan, we will usually make arrangements to withhold LTC premiums from your pension check.

IF YOU DIVORCE Contact insurance company about converting your coverage.

Personal Accident Insurance (PAI)

IS / WAS SPONSOR ENROLLED? Personal Accident Insurance covers accidental death or dismemberment (losing a hand/foot/eye). The following groups can apply for single or family coverage: AAFES retirees, military personnel assigned to AAFES, active regular full-time and part-time AAFES employees and intermittent employees with more than 6 months of service. No medical exam is required.

IF COVERED PERSON DIES DUE TO ACCIDENT The sponsor listed the beneficiary(s) on the enrollment form. Contact the HQ Benefits office to begin claim procedures.

IF YOU DIVORCE The employee/retiree needs to change any family coverage to remove the now-ineligible spouse. Active employees should remove the coverage in eBenefits; retirees should contact the Plan's Administrator.

Pension (Retirement)

A pension is based on: Years in the pension plan, Age at retirement, High-3 consecutive years earnings and Social Security benefits. The AAFES Retirement Plan booklet has more details. AAFES adds in a Cost of Living Adjustment (COLA), based on CPI-W, each year on 1 December, if one is announced.

If married at retirement, the employee decides at that time whether or not to set up a “spousal annuity” for the future. It will cost 10% of the pension and gives the surviving spouse a maximum of 55% of their pension. It will begin the 1st of the month after the death of the retiree. The decision made at retirement cannot be changed later.

For legal reasons and to avoid surprises later if retiree dies, the spouse must sign on the retirement form that they understand which decision (spousal annuity or not) was made.

If an unmarried employee didn't set up any 'extra' annuities at retirement, he/she can set up a spousal annuity within one year of a later marriage date. The cost will be higher than 10%.

IF ACTIVE EMPLOYEE DIES If a married active employee dies, was in the retirement plan 18 months and married for at least 1 year, AAFES sets up a spousal annuity as described above. If no spousal benefit is payable, we'll refund the retirement contributions and interest to the named beneficiary.

We must take all Widow's and Mother's/Father's Social Security benefits into account when calculating this annuity and they will reduce the amount payable.

IF YOU DIVORCE **Please consult with a legal and/or financial advisor.** A divorced spouse is no longer eligible for any spousal annuity. However, they may be eligible for some of the sponsor's pension funds via a Qualified Domestic Relations Order (QDRO). This would apply whether the sponsor is active or retired at the time of divorce, and whether or not a retiree had requested a spousal annuity at retirement. Sample QDRO text is available on request.

IF SPOUSE DIES If the retiree had elected a spousal annuity at retirement, he/she should send HQ Benefits office a copy of the spouse's Death Certificate. We will remove the 10% reduction. If the retiree later remarries, he/she has a one-year period in which to elect a spousal annuity in the same percentage (if any) that was provided to the spouse at retirement. The cost at this point would be more than 10%.

IF RETIREE DIES The family should send HQ Benefits a certified copy of the retiree's death certificate. If retiree had elected a spousal annuity, it will begin the 1st of the month after the death of the retiree and after all documentation is received.

401(k) Retirement Savings Plan

IS / WAS SPONSOR ENROLLED? Active regular full-time employees can enroll or disenroll in this plan at any time. They can choose the percentage of their income (within IRS limits) to save, and the funds (from the available list) in which to invest the money. Fidelity Investments administers this plan for AAFES. They can name anyone as beneficiary, within legal constraints. The sponsor can choose to receive his/her periodic account statements on paper or via the Internet. Loans and withdrawals are allowed but only under strict guidelines, as this is intended to be a retirement plan.

IF SPONSOR DIES Send HQ Benefits a copy of the death certificate. We will tell Fidelity to set up a new account for the named beneficiary. If it is a spouse, he/she can either take the money as a distribution or a rollover. If not a spouse, the beneficiary can get a distribution. Either way, the beneficiary can call HQ Benefits for assistance. **Please also consult with a legal and/or financial advisor.**

IF YOU DIVORCE **Please consult with a legal and/or financial advisor.** A spouse may be eligible for some of the sponsor's 401(k) savings, via a Qualified Domestic Relations Order (QDRO). This would apply whether the sponsor is active or retired at the time of divorce. Sample QDRO text is available on request.

AAFES POINTS OF CONTACT

For active employees:

- Call the Human Resources Support Center (HRSC) at 1-800-508-8466 or email them at hrsc@aafes.com

For retired employees:

- Call the HQ Benefits office at 1-800-519-3381
- Fax 214-465-2801
- Write to:
HQ AAFES
Attn: FA-T Benefits
P.O. Box 650428
Dallas, TX 75265-0428
- Send email to benefits@aafes.com

LEGAL ADVICE AVAILABLE

- 1) Employee Assistance Program (EAP)
 - CONUS 1-800-424-5988
 - Overseas International Call Center: 877-853-4704
- 2) www.megellanhealth.com/member

AETNA POINTS OF CONTACT

For Health, Life, Long Term Care Insurance

Health:

- 1-800-367-6276
- P.O. Box 14079,
Lexington, KY 40512-4079
- www.aetna.com

Life: 1-800-523-5065

Long Term Care: 1-800-537-8521

PRUDENTIAL

Long Term Care

- call at 1-877-893-3306

PERSONAL ACCIDENT INSURANCE (PAI)

Accidental Death and Dismemberment Insurance

- Contact the Maksin Group (Plan Administrator) at 1-866-506-1561
- Write to: Maksin – Misc
PO Box 71322
Philadelphia, PA 19176-1322

- Send email to www.maksin.com/aafes

STATE STREET - PENSION PAYMENTS

- US: 1-877-247-2769 (toll-free)
- Overseas collect 1-904-791-2246. Leave message and phone number. **A representative will return your call.**
- Or email them at aafesclientserviceteam@citistreetonline.com.

FIDELITY 401(k) ACCOUNTS

- US: 1-800-835-5098
- From Overseas, get an AT&T Direct access number by visiting <http://www.att.com/traveler>, or calling 1-800-331-1140 for a list of country codes, or by asking the local operator. After you dial your AT&T Direct access number, enter 877-833-9900 to reach the Fidelity Retirement Benefits Line.
- www.401k.com or www.fidelity.com

HMO POINTS OF CONTACT

Call number on your medical HMO insurance ID card.

Do you know where these items are?

MORE IMPORTANTLY:

Does your Spouse or Beneficiary know where they are?

- Copy of latest beneficiary forms (Can't find it? Log onto www.aafesbenefits.com and print a copy. If you don't have designated benefits on the website just submit the information and print for your records.)
- Social Security card(s)
- Insurance policies - life, mortgage, accidental death, auto, credit card, health, etc. whether obtained privately or through an employer
- Military discharge papers (for any veteran's benefits, burial or otherwise)
- Marriage certificate(s)
- Divorce decree(s)
- Will(s)
- Property list and/or videotape
- Most recent tax return and supporting documentation
- Birth certificate(s) for dependent children
- Credit cards
- Legal advisor's name and number
- Financial advisor's name and number

Do you have a safety deposit box?

- Where is it?
- Who is on the access list?
- Where are the keys?