

New Mexico Judicial Branch

Long Term Disability Insurance, Short Term Disability Insurance, and Term Life Insurance for Judges & Attorneys including non-attorney Magistrates FAQs

The New Mexico Judicial Branch District and Metropolitan Judges' Association selected **Principal Financial Group** as the insurance carrier for long-term disability insurance effective **January 1, 2024**. We have also added short-term disability insurance and life insurance as additional options. The Employee Benefit Broker for long-term disability, short-term disability, and life insurance through Principal Financial Group has not changed and remains as **Danine Baca at Financial Concepts** in Santa Fe, New Mexico.

Financial Concepts' contact information:

Financial Concepts
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(505) 983-9646 or Toll free: (888) 983-9646
Ms. Danine Baca
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Monday-Friday 8:00AM – 5:00PM
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Frequently Asked Questions:

- 1. Who is eligible for the long-term disability insurance through Financial Concepts?**
 - a. All New Mexico Judicial Branch employed Judges and Attorneys are eligible to enroll in the long-term disability insurance offered through Financial Concepts.

- 2. Am I still eligible if I am an Attorney but I do not hold an Attorney job classification?**
 - a. Yes.

3. If I already have the state of New Mexico disability insurance, why would I want more?

- a. The state plan pays a maximum benefit of \$2,000 per month under specific conditions. The Principal plan pays a maximum of \$10,000 per month. The definition of disability under the state plan is “unable to work in **any** capacity”. Principal’s definition is “Unable to perform a majority of the substantial and material duties of his/her own occupation; OR Unable to earn 80% of his/her indexed pre-disability income while working in his/her own occupation in a modified capacity or any occupation.”.

4. What about social security or other government programs?

- a. It is often difficult to qualify for Social Security Disability coverage. Even if you do, you will have to wait six months before you can receive benefits. You must also prove to the Social Security Administration (SSA) that your disability prevents you from working in **any** profession, not just as a Judge or Attorney. In addition, the Social Security Administration (SSA) only covers disabilities that are expected to last 12 months or longer and end in death.

5. What qualifies as a disability under the Financial Concepts offered long-term disability insurance?

- a. You are disabled from your own occupation if, as a result of sickness, injury, or pregnancy, you are unable to perform a majority of the substantial and material duties of his/her own occupation; OR Unable to earn 80% of his/her indexed predisability income while working in his/her own occupation in a modified capacity or any occupation.
- b. To be qualified to receive benefits under Principal you must be in the first 120 days after the date you become disabled. The benefits are scheduled to begin (payments start) on the 91st day of disability. The 90 days of disability do not need to be consecutive as long as they are met within the first 120 days of the disability.
- c. You must be unable to perform a majority of the substantial and material duties normally required in your occupation.
- d. You may be able to work and perform duties in another occupation unrelated to your occupation as a Judge or an Attorney. For example, if you are able to teach you may still be able to receive long-term disability benefits as long as your income does not exceed 80% of your Indexed Pre-disability Earnings.

6. When can I enroll in long-term disability?

- a. Since the insurance carrier is changing, enrollment is open to all during this open enrollment period. The open enrollment period will run until December 8th. During that time you will not need to answer any medical questions to be enrolled.
- b. For future hires, you may enroll in the long term disability insurance within 60 days of your election or appointment date into a judgeship position, or if an attorney, within 60 days of your hire or rehire date.

7. How do I file a claim for long-term disability?

- a. You will need to request a disability claim form from the Employee Benefit Broker, Financial Concepts (Ms. Danine Baca) in order to assure that you have the most current form. Her email address is danine@fincepts.com. The form will need to be completed by your employer, your physician, and yourself.
- b. Judges & Attorneys must work directly with Financial Concepts on any claims.
- c. There is a section on the claim form that your Judicial Entity's HR Professional will need to fill out related to your employment.

8. What if I don't enroll during the open enrollment period or my initial eligibility enrollment period?

- a. If you do not enroll in long-term disability insurance during the open enrollment period or your initial eligibility enrollment and choose at a future date and time to enroll, you will be required to complete an Evidence of Insurability form and go through underwriting which can be denied coverage.

9. What if I am currently enrolled in long-term disability through Northwestern Mutual?

- a. Current enrolled members will get exclusion to transfer to the new plan including those who have "pre-existing issues."

10. When will the last premium in the current plan with Northwestern Mutual be deducted? And when will the coverage end?

- a. The last premium for the current plan with Northwestern Mutual will be deducted around December 5th, 2023. The Northwestern Mutual coverage will end on December 31, 2023.

11. What is the effective date of the new coverage with Principal?

- a. The effective date of the new coverage will be January 1, 2024.

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12. Will the current ACH roll over or would the member need to complete new forms to end ACH and to start new ACH?

- a. The current ACH will roll over but the amount of the deduction will be different. Danine will reach out to currently enrolled members to confirm the amount of the new deduction around November 30, 2023.

13. If I enroll during the open enrollment period when would the elected coverage start; when would my benefits be effective?

- a. The coverage will start January 1st, 2024.
- b. For future hires, the coverage will start on the first day following 30 days of full time continuous employment.
- c. A Judge or Attorney will be eligible for benefits after being employed for two full pay periods, and after paying one month of premiums.

14. Do I have to enroll in long-term disability insurance?

- a. No, the program is voluntary.
- b. If you decide at a later time to enroll you will be required to go through medical underwriting.

15. Who will my long-term disability insurance be with?

- a. Principal Financial Group

16. What will the monthly benefit maximum be?

- a. The monthly benefit maximum will be 60% of your monthly wages to a maximum benefit of \$10,000.

17. Is there a waiting period for benefits and if so how long?

- a. Yes, there is a waiting period or elimination period before benefits are paid.
- b. The waiting period between a disability and payment is 90 days of the first 120 days.
- c. Benefits will begin on the 91st day and are paid on a monthly basis.

18. How do I pay for my long-term disability insurance?

- a. The premiums for long-term disability insurance are made through automatic bank draft and NOT through payroll deductions.
- b. Financial Concepts will automatically pull your premiums from your checking account monthly (around the 5st of the month).
- c. All participants are required to pay their premiums via monthly bank draft by Fincepts LLC. Financial Concepts will submit payment to the carrier (Principal) approximately five business days after the bank draft.

19.What are my responsibilities?

- a. You must maintain an email address on file with Financial Concepts.
- b. Communicate any address or contact information changes to your HR Professional, and Danine Baca immediately.
- c. Ensure all premium payments are timely made through automatic withdrawal.
- d. Communicate any bank draft changes timely to Danine Baca.

20.If I have questions on the automatic bank draft, who do I contact?

- a. Call Danine Baca at 505-983-9646 or 505-983-9587, regarding premium and bank drafts.
- b.

21.After I enroll what information, will I receive?

- a. After you enroll in long-term disability, you will receive a confirmation letter or email.
- b. You will also re-receive a confirmation letter and payment instructions following any rate changes.

22.Do I have to stop working to receive long-term disability?

- a. You can continue to work as long as you are unable to earn 80% of your Indexed Pre-disability Earnings.

23. Do I continue paying premiums while receiving long-term disability benefits:

- a. No. Principal will waive the premiums while you are receiving long-term disability benefits. You do not need to do anything. The waiver will apply automatically.

24.How long can I receive long-term disability benefits?

- a. You can continue to receive long-term disability benefits until your normal retirement age as defined by the Social Security Administration.

25. What are the premiums ?

- a. The current premium rate is 0.85% of your monthly earnings.
- b. Premiums are paid with after-tax dollars so the disability benefit will not be taxed. It is not considered taxable income.

26. Are there any fees in addition to premium payments?

- a. Yes. There is a monthly administration fee of \$2.00.

27. Will I be covered for successive disabilities?

- a. If you receive benefits for a disability, recover, and become disabled again while you are still covered under the long-term disability insurance plan, then the second disability may be regarded as a continuation of the first (which means you may not need to meet the 90-day waiting period again).
- b. However, the second disability will be considered new if you are working full-time for at least six consecutive months. The second disability will also be considered new if it is the result of an entirely unrelated cause and the second disability will be subject to a new elimination period.
- c. Principal makes the final decisions regarding a claim.

28. When will my coverage terminate or become portable?

- a. Your coverage can become portable should you, for example, stop being a Judge and become a teacher. (Portable provides a mechanism to take the insurance with you.) The “material duties” test will be based on your most current occupation. If you are still looking for work and your last job was a Judge, the duties test will look at that occupation. If you have returned to being a teacher, then those duties will be used.
- b. Coverage terminates on the earliest of:
 - i. The date the last month for which you made a premium contribution,
 - ii. The date the Policy terminates (i.e. the employer or the insurance cancels the policy),

- iii. The date your employment terminates, and the date you cease to be a Member, however, if you cease to be a Member because you are not working the required minimum number of hours, your insurance will be continued during the following periods, unless it ends on one of the dates shown above (while receiving disability benefits, premiums are waived),
- iv. While you are receiving from your Employer at least the amount of Pre-disability Earnings in effect immediately before you ceased to be a Member,
- v. While you are Disabled before the Beginning Date and while benefits are payable,
- vi. During a leave of absence if continuation of your insurance under the Policy is required by the state-mandated family or medical leave act or law, or
- vii. During any other leave of absence approved by your Employer in advance and in writing and scheduled to last at least 30 days. Members are required to report this information to Danine Baca with Financial Concepts.

29. What would conversion look like?

- a. When your insurance under the policy ends, you may have a right to convert your policy by purchasing either Group Long Term Disability conversion insurance or individual disability income insurance. The premiums will likely be higher.
- b. You have the right to convert if:
 - i. Insurance ends because you are promoted out of the class of eligible members, or your employment ends for any reason other than retirement,
 - ii. You have been insured under this program for at least one year on the date insurance ends,
 - iii. You are not disabled on the date insurance ends,
 - iv. You are a citizen of the United States or Canada, and
 - v. You are not eligible for insurance under any employer's LTD insurance program,
 - vi. You are under age 59 years 6 months,
 - vii. Engaged in an occupation at the time insurance ends, which belongs to the Company's 2A or higher individual disability income occupation classes. (Note: Attorneys and Judges are 5A. So are teachers with bachelors or higher degrees.)

30.If I am receiving PERA retirement from a previous employment, and am currently working as a Judge, will my previous retirement benefit reduce the amount of my disability payment?

- a. No, as long as it is clear to Principal that the retirement income was being received prior to the disability.

31.Does the long-term disability coverage include long-term care?

- a. No. To keep costs down it was not included.
- b. You can purchase an individual long-term care policy through Financial Concepts.

32.If I already have an individual disability policy, should I drop it and pick up this group policy instead.

- a. Not necessarily.
- b. You should contact your trusted financial advisor or financial concepts for a review of your policy and needs. For example, if this policy covers 60%, perhaps your other policy will cover 40%. Some individual policies include long-term care and this policy does not.

33.Who is eligible?

- a. All active judges and attorneys employed in the New Mexico Judicial Branch are eligible to enroll.
- b. Magistrate judges are eligible to enroll whether or not they are lawyers.

34. If a member has two plans, which plan is their primary?

- a. If both plans are Group plans (for example the Principal plan and the State of New Mexico plan) then each plan will reduce any benefits it would pay by the amount that the other plan is paying. Neither plan is primary over the other. Each group plan will reduce the benefits by the amount you receive from the other group plan. If one plan is Group and the other is Individual, both plans will pay full benefits with no offset.

35. How do I enroll?

- a. Provide an enrollment form to your local HR Department who will submit the form initially to Financial Concepts. Financial Concepts will be in contact with you to enroll you in the plan and to complete the ACH agreement form.

SHORT TERM DISABILITY INSURANCE

36. We have added the option of short-term disability insurance. What is it?

- a. Short-term disability insurance will also replace a portion of your income if you become disabled, but it begins earlier and ends sooner. This coverage is designed to bridge the gap between your PTO and the long-term disability.
- b. The State of NM short term disability plan applies to attorneys; however, judges do not accrue leave so no short term disability pay benefit could be received.

37. When does the short-term disability begin and when does it end?

- a. Short-term disability benefits will begin on the 15th day for disability due to injury, pregnancy, or sickness.
- b. Short-term disability benefits will pay for a maximum of 11 weeks.

38. What is the definition of disability for the short-term disability insurance plan?

- a. Unable to perform a majority of the substantial and material duties of his/her own occupation; OR Unable to earn 80% of his/her indexed predisability income while working in his/her own occupation in a modified capacity or any occupation.

39. How much does the short-term disability plan cover?

- a. The short-term disability plan will pay 60% of your pre-disability earnings to a maximum benefit of \$1,500 per week.

40. How much does the short-term disability plan cost?

41. The cost of this plan is based on your age and income. We have included a rate sheet to help you estimate the cost. If you need assistance with this, please contact Danine Baca at danine@fincepts.com or 505-983-9646 or 505-983-9587. Do I continue paying premiums while receiving short-term disability benefits:

- a. Yes.

VOLUNTARY TERM LIFE INSURANCE

42. We have also added voluntary term life insurance as an option. How much coverage is available?

- a. The voluntary term life insurance plan allows you to purchase benefits in \$10,000 increments.
 - i. The minimum amount of coverage you can purchase is \$10,000.
 - ii. The maximum amount of coverage you can purchase is \$500,000.
 - iii. The amount of coverage you can purchase without providing evidence of insurability is \$150,000 for those under age 70, or \$10,000 for those 70 and older.
 - iv. This guaranteed issue amount only applies to those enrolling during the current Open Enrollment period and those enrolling during the initial enrollment period. If you want to enroll later, you will need to provide evidence of insurability.
- b. You may also elect to enroll your dependents on this plan.
 - i. You may elect coverage for your spouse or domestic partner in \$5,000 increments up to a maximum of \$100,000.
 - ii. Employee coverage is required for spouse or domestic partner to elect coverage.
 - iii. The amount of coverage you can purchase for your spouse or domestic partner without providing evidence of insurability is \$30,000 for those under age 70, or \$10,000 for those 70 and older.
 - iv. You may elect coverage for your children in the amount of \$10,000 or \$20,000. Your children will not be required to provide evidence of insurability for this coverage.
 - v. This guaranteed issue amount only applies to those enrolling during the current Open Enrollment period and those enrolling during the initial enrollment period. If you want to enroll later, you will need to provide evidence of insurability.

43. When does coverage begin?

- a. Coverage begins January 1, 2024.

44. Why should I consider this Life Insurance option instead of the State life benefits offering?

- a. You can have both if you want as they would both pay independently of each other. This can be a way to increase your coverage without having to provide evidence of insurability.

45. How much does the voluntary term life insurance cost:

- a. The cost of this plan is based on your age and amount of coverage. We have included a rate sheet to help you estimate the cost. If you need assistance with this, please contact Danine Baca at danine@fincepts.com or 505-983-9646 or 505-983-9587.

46. Do I continue paying life insurance premiums while receiving long-term disability benefits:

No Principal will waive the life insurance premiums for you and your dependents while you are receiving long-term disability benefits. You do not need to do anything. The waiver will apply automatically.