

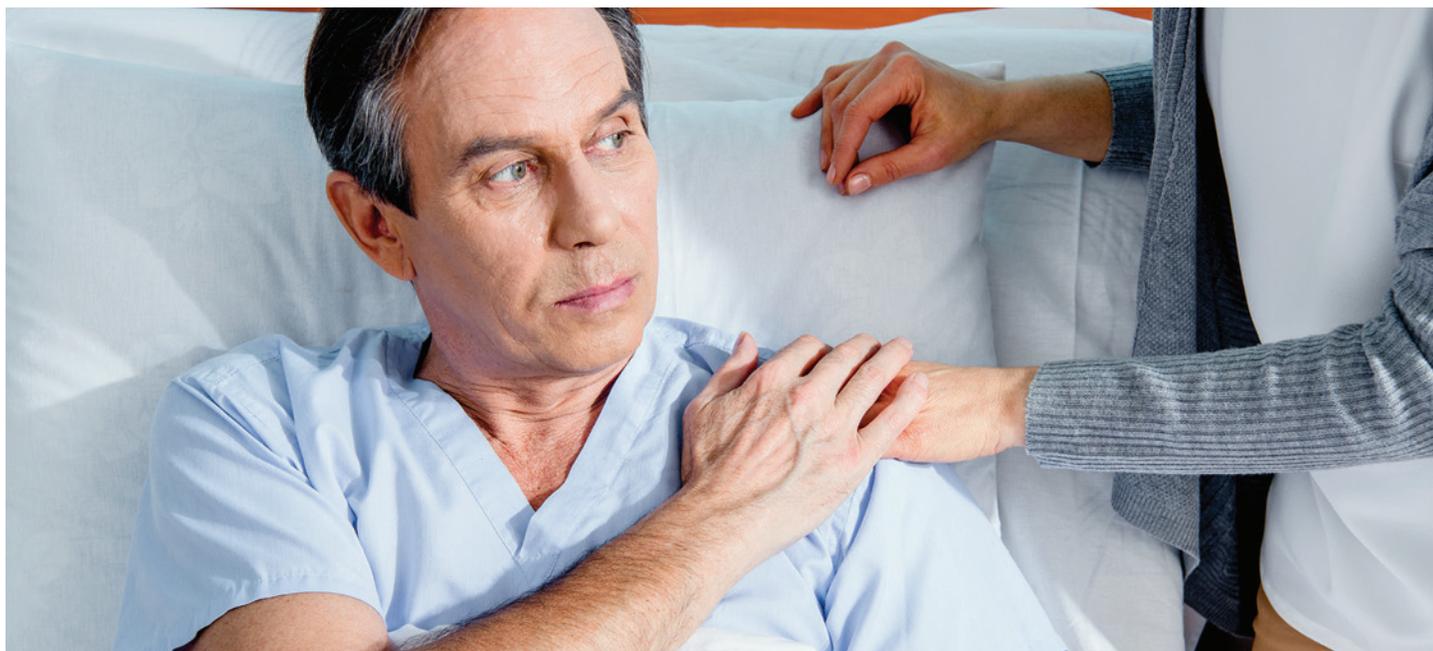


WAEPA NEWS

WAEPA

Worldwide Assurance for Employees of Public Agencies, Inc.

waepa.org



New “Living” Benefit

Now Your WAEPA Life Insurance Can Help with the High Cost of a Chronic Illness

One of the biggest threats to your family’s financial security is the high cost of caring for a loved one with a chronic illness.* Most health insurance, even Medicare, doesn’t cover long-term care needs. And it could cost you thousands of dollars — even if you can get the care you need in your own home.

If you know anyone who’s suffered from a long-term illness, you know how difficult it is on those they love. A new benefit, available with WAEPA Group Term Life Insurance, is designed to help ease the financial burden. Now you have the option of applying for a Chronic Illness Rider

to add to your life insurance policy ... and being able to collect up to half your policy benefits to a maximum of \$500,000, if you’re diagnosed with a permanent chronic illness.†

This money will be paid out over four years in tax-free** annual installments, and it can be used any way you see fit. That could be to help with the cost of your care, pay living expenses, replace lost income, even compensate a family member who takes time off work or travels to be with you. There are no restrictions on how benefits can be used.

(Continued on page 4)

Chronic Illness Rider Features

- up to \$500,000 in “living” benefits
- tax-free payments, made directly to you
- money can be used as you see fit
- flexible two-way protection



WAEPA Turns 75!

It is times like these when we get to realize just how long true values can last.

Back in 1943 a group of folks in hats and overcoats thought it was imperative to support civilian federal employees working in war zones. They stepped forward and built an organization meant to be there in difficult circumstances, being reported for the first time in color TV.

WAEPA began facilitating low-cost financial solutions that were consistent with how times were changing, like storks visiting houses in record numbers after the return of our soldiers, better known as the Baby Boom.

We are proud to live up to the same promise, meeting the ever-changing needs of civilian federal workers. Today we want to express our gratitude to you, our current members, not only for being part of the WAEPA family but for keeping this country going day in and out. We

We honor your service by protecting your loved ones with value that evolves with the times.

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Because of our commitment to their future, we've been able to add more benefits, such as post-retirement coverage (1954), dependent coverage (1961), extended coverage (1975) and increasing payout amounts (always).

In recent times (1986) we gave our members the ability to buy additional life insurance plans to cover their spouses, followed by reaching the \$500,000-in-benefits mark (2000). We even went above and beyond by introducing the WAEPA Scholarship Program in 2006, which provides college tuition to children of insured members.

But our members have evolved as well. They are living healthier, longer lives and that pushes us to find new solutions, like reducing premiums for policyholders under 40, as well as extending coverage to 85 years old.

We're also proud of our partnerships. With our carrier, New York Life Insurance company, we can now offer up to \$1.5 million for members and up to \$500,000 for spouses. With Ernst & Young, LLC we provide a Financial Wellness Planning program at no cost to our members.

Additionally, the National Institute of Transition Planning (NITP) gave us the opportunity to be a source for education for financial and retirement planning, tailored to federal employees.

Once again, thank you for trusting us to protect you and your family. WAEPA is honored to provide peace of mind for over 75 years.



Is Your Life Insurance Coverage Up to Date?

If your family depends on you for their financial security, it's not surprising if you worry about their well-being should you die. Are you concerned that they might not be able to live as comfortably as they do today? Even if you already have life insurance, you should make sure it still meets your loved ones' needs.

It's worth reviewing how your life has progressed since you purchased your life insurance policy. In fact, financial experts say it is a good idea to check your life insurance policy annually. After all, centuries ago Heraclitus, a Greek philosopher said, "The only thing that is constant is change," and that statement is still true today. As your living situation evolves, it is likely to affect your life insurance coverage needs.

Below are some questions to answer that will help you assess your insurance requirements.

Who depends on you?

Your family situation affects your financial responsibilities. For instance, when you marry, have a child or use funds to support an aging parent, you have more people who depend on you for their well-being. Alternatively, you may have become an empty nester, which might reduce the number of family members depending on you. Finally, look to the future. If you are planning on having children, you might want more coverage.

Also, think about whether the changes in your life affect who you name as the beneficiary of your policy.

Have your living expenses increased or decreased?

Growing expenses can also increase the dependence on your income. For example, you may have moved to a new home with a larger mortgage. Or financing a car purchase may have added to your bills. So take a look at your expenses, including food, energy, mortgage payment, automobile financing, credit card bills,

entertainment, medical costs, insurance, college expenses and anything else that your family needs to live comfortably. Once again, look into your crystal ball to see the financial outlays coming down the pike. You may not

be paying for college right now, but it could be a substantial monetary commitment a few years from now.

What reserves do you have?

Your family may not rely on your income for their survival. If you have some reserves tucked away in a bank account or somewhere else where they can be liquidated easily, you may not need as much life insurance.

What level of protection makes you comfortable?

Everyone has a different feeling about the level of financial protection their family needs. Only you know how much financial cushion you need your family to have. Can you sleep well if they have just enough to get by? Do you want them to enjoy all the luxuries of life? Or are you happy with something in between? You are the only one who can determine the level of life insurance that puts your mind at ease. Whatever that level is, make sure your insurance covers it.



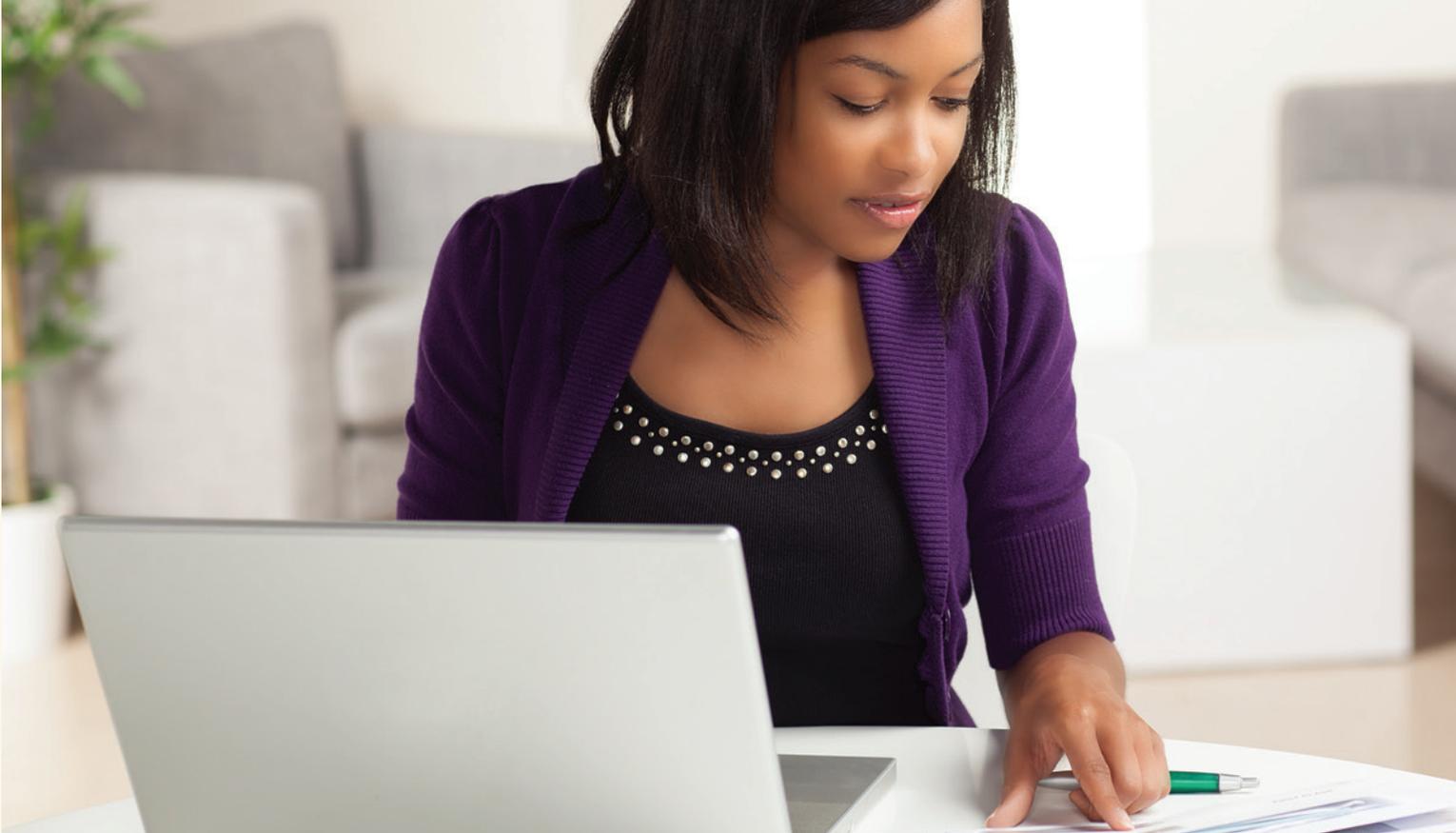
Do you need riders?

Riders are the *extras* you can add to a life insurance policy for additional protection at an extra cost. For example, should you become chronically ill or suffer an accidental death.

Think about what might happen to your family if you become chronically ill. If you have a rider for chronic illness, you would be able to access part of your benefit amount to help pay medical bills, additional living expenses and fill any financial gaps due to the potential loss of income.

While it's not easy to think about what might happen when you are no longer around, it's worth evaluating once a year to gain the peace of mind of knowing that your family is protected. So set aside time to mull over whether there have been any changes in the people who depend on you, your living expenses and your financial reserves. Also, do you have a new perspective on the level of protection you want your family to have? Finally, you might want to think through whether you want to add some extra protections in the form of riders. Even if you have passed them by before, they may be more relevant today.

Financial experts say it is a good idea to check your life insurance policy annually.



WAEPA Payment Options

To reduce costs, WAEPA is making a continued effort to go paperless wherever possible. The cost of printing and mailing paper bills is continuing to rise, and WAEPA mails over 6,000 bills every month! Going paperless reduces operating costs, which in turn keeps our rates stable.

If you are currently receiving a paper bill, you may continue to do so without interruption. However, WAEPA encourages our members to move to a paperless option if possible. WAEPA currently accepts premium payments via the following:

 **Bi-Weekly/Bi-Monthly/Monthly Payroll Deduction** – If you are actively working, your payment can be automatically deducted from any paycheck, federal or otherwise; WAEPA would provide you with the information necessary to begin your allotment.

 **Annuity Deduction** – If you are a federal retiree receiving an annuity, you can initiate a monthly allotment from your annuity, provided the allotment is \$50 or more; WAEPA would provide you with the information necessary to begin your allotment.

 **Monthly Bank Draft** – With your permission, WAEPA can create and manage a monthly deduction from your checking or savings account. The only restriction is the bank must be based in the United States.

 **Online payments via your bank or bill pay service** – You can initiate a payment online through your bank or bill pay service (the service would send WAEPA an eCheck). You can set up automatic/recurring payments, or you can initiate a payment when you receive a bill.

 **Online payments via E-Bill Express** – E-Bill Express is an online payment portal where you can make one-time payments or create a profile to save your bank account information online. If you create an E-Bill Express profile, you will receive an email notification any time a payment is due.

 **Check/Money Order** – You can pay your bill by sending a check or money order to our PO Box.

Members who pay via payroll deduction, annuity deduction, and monthly bank drafts do not receive paper bills. Additionally, you can opt out of paper billing if you are on an autopay option such as E-Bill Express or through your bank or bill-pay service.

Payment Options:



paperless



mail

New “Living” Benefit

(Continued from front page)

Two-way protection in a single policy.

When you add a Chronic Illness Rider to your life insurance policy, you get protection against the financial hardship a serious medical condition may cause ... and you retain valuable life insurance benefits.

Chronic illnesses account for more than 75% of America’s annual spending for medical care.***

You can collect up to \$500,000 of your policy face amount while you’re living. The balance will be paid to your beneficiaries when you pass away. And if you don’t have long-term medical needs, your beneficiaries will receive the full benefit amount.

Many will need help with healthcare costs

A 2018 study determined that 45% of Americans (133 million) suffer from at least one chronic illness, such as heart disease, stroke, cancer, type 2 diabetes, obesity and arthritis, among the most common.***

The steep cost of healthcare in these cases could corner even a financially-stable family. For that reason our Chronic Illness Rider can give you access to as much as \$500,000 in benefits.

You can add this rider for a modest additional premium to your existing WAEPA Group Term Life Insurance policy. This coverage is underwritten by New York Life Insurance Company and is available exclusively to WAEPA members and their spouses under the age of 65.

For more details and our rates, visit waepa.org.

Going paperless reduces operating costs, which in turn keeps our rates stable.

At this time, WAEPA is not equipped to process credit or debit cards payments. Due to the additional fees WAEPA would incur, this is not a payment option. WAEPA reviews this policy from time to time and we may make changes in the future if necessary.

If you’re interested in switching to any of the payment methods mentioned, please contact WAEPA at waepa@waepa.org or call us at **1-800-368-3484 (Option 2)**.

† Benefits used for chronic care decrease the amount available to beneficiaries upon the insured’s death.

* Chronic illness means the permanent inability to perform 2 out of 6 activities of daily living (bathing, continence, dressing, eating, toileting and transferring); or a permanent severe cognitive impairment requiring substantial supervision.

** Receipt of accelerated benefits may be taxable. Consult your personal qualified tax advisor.

*** Centers for Disease Control and Prevention.

This is a life insurance benefit that also gives you the option to accelerate some of the death benefit in the event that you are certified with a chronic illness as described in the certificate.

IMPORTANT NOTICE: This rider is not intended to be a federally tax-qualified long-term care insurance contract under Internal Revenue Code (IRC) Section 7702B. Therefore, the premiums payable for this rider do not qualify as long-term care insurance premiums and are not deductible from gross income for federal income tax purposes. This rider, however, is subject to the federal per diem limits set forth in IRC Section 7702B. Under this rider, New York Life will not pay claimants more than the federal per diem limits. Assuming the amount you receive in the aggregate from all applicable policies does not exceed the federal per diem limits set forth in IRC Section 7702B, the benefits provided by the Chronic Illness Rider are intended to be excludable from federal gross income under Section 101 (g) of the IRC.

Receipt of an accelerated death benefit may affect eligibility for Medicaid or other government benefits or entitlements and may have income tax consequences. Accelerating benefits before applying for these programs, or while you are receiving government benefits, may affect your initial or continued eligibility. Clients can contact the appropriate social service agency (e.g., the Medicaid Unit of your local Department of Public Welfare or the Social Security Administration Office) for more information.

SAVE THE DATE

Annual Member Meeting is coming 10/30/18

We are looking forward to sharing with you the many important investments in our membership program, as well as practical financial advice from highly recognized experts.

You’ll have the chance to spend a half-day exchanging ideas and efforts that will continue to benefit civilian federal workers and their families for years to come.



Life insurance – What to Expect

Setting up the right life insurance plan puts you on track to protect your family's financial future, and with a few extra preparations we can help you make sure that your loved ones can properly claim your benefits.

It's important to let your loved ones know what to expect and what they're expected to do when you pass away. We want to prepare them now for when they go through that difficult time.

Basic steps to claiming a life insurance payout

It is up to the beneficiary to report the death to WAEPA, which means they'll need the original copy of the death certificate, plus a few additional copies to go with different forms that they must fill out.

How long is the process?

Your beneficiaries should receive the funds within 2 weeks of the date of the claim.

What are the payment methods?

Beneficiaries will receive funds in a tax exempt lump sum payment, split

equally among the beneficiaries in the policy.

Lastly, you should inform your loved ones if your policy offers living benefits, in the event that you suffer from a terminal, chronic, or critical illness.

What about FEGLI?

The Office of Personnel Management can provide you with a Claim for Death Benefits form, known as FE-6. Every beneficiary must fill out their own form.

For accidental deaths, they must provide a police report and any other supporting documentation.

If you wish to make a designation for your FEGLI policy, you must complete a Designation of Beneficiary and submit it to your human resources office.

Preparation is key

At WAEPA, we understand it can be difficult to think about the unknown. But it is important to talk to your family or loved ones so they can be prepared.

**Going once,
going twice,
going paperless!**

This is the last printed edition of WAEPA News, which will now be available exclusively via email. It's our way of helping our members save money and contribute to the environment at the same time.

If you already receive our emails, you're all set to receive our next edition! Otherwise, visit us at www.waepa.org/email to submit your email using our secure web form.

Enrolled in paper billing? No worries, you'll continue to receive these in the mail, as usual.

Student Loans

The costs of education have been rising at a pace faster than inflation for the past few decades. These high and increasing costs have led to the fact that the average U.S. college student graduated with about \$37,000 in student loan debt. In fact, the amount of total student loans exceeded \$1 trillion, becoming the leading debt issue in America. Having to worry about repaying your debt can make paying for current expenses and saving for future costs more difficult. But it isn't impossible if you develop a plan.

You have options for repaying your loans, depending on the type of loan selected. By building a strategy around these options, you can save money and find it easier to achieve future goals. Student loans usually have a fixed interest rate and a fixed repayment period. The standard repayment period is 10 years; however, repayment plans can extend the loan as far as 30 years. It is important to note that extending the repayment plan will reduce the monthly repayments but increase the overall interest cost of the loan.

Aside from different repayment periods being offered, some plans feature a gradually increasing payment amount, and other plans offer a payment amount that changes based on your income level. It's important to review all your options before deciding which repayment plan is right for you. Make your decision with an eye toward balancing all your financial priorities. For example, choose a

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repayment plan that will allow you to also save for long-term goals like retirement. Private student loans tend to offer fewer repayment plans than federal loans.

Student loan consolidation is optional if you have multiple loans. Two or more loans can be consolidated into a single loan with one interest rate and monthly payment, but close attention should be paid to verify the consolidated rate does not exceed the current one. Student loans can only be consolidated once over the life of the loans.

A part of your planning should include an understanding of your options if you fall into a financial hardship. If you are not able to keep up with your payments, don't ignore your student loans. The federal government provides guidelines for granting a deferment or a forbearance if you experience a financial hardship or for certain other reasons. Obtaining a deferment will grant you a suspension of student loan payments for a period of time. Interest may or may not accrue depending on what type of loan you

have. A forbearance can reduce or eliminate your payments for up to 12 months. During this time, interest will still accrue on your loans.

There may be circumstances where you would no longer need to repay your federal student loans, known as loan forgiveness. For example, the Public Service Loan Forgiveness (PSLF) program provides complete forgiveness of any student loan balances remaining after working in a qualified position and making payments for 10 years. This program applies only to certain Direct Loans. A qualified public service position can be at the federal, state, or local levels of government in a wide variety of fields. While loans under the FFEL and Federal Perkins Loan Programs do not qualify for PSLF, they may become eligible if you consolidate them into a Direct Consolidation Loan. Note that loan forgiveness will count as income for tax purposes in the year the loan was forgiven.

Need help? Consider using the Financial Wellness Planning program exclusively for WAEPA Members. This valuable service is complementary. Go to [waepa.org/financial](https://www.waepa.org/financial) to get started.