FEGLI Federal Employees' Group Life Insurance

Information for Retirees and Their Families

This pamphlet contains important information for retired Federal employees about rights and benefits as an annuitant under the Federal Employees' Group Life Insurance Program. This pamphlet is not a contract of insurance. It summarizes the benefits payable; who receives the benefits; how to submit a claim; and other provisions of the Program. Refer to it when you (or your family) have questions about Federal life insurance.

OPM United States Office of Personnel Management
Retirement and Insurance Service

Previous editions are not usable

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We provide retirement information on the Internet. You will find retirement brochures, forms, and other information at:

http://www.opm.gov/retire

You may also communicate with us using email at:

retire@opm.gov

The monthly premium rates shown in this pamphlet are correct as of the date of publication. These rates are subject to change.

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Contacting Us

We encourage you to call us when you want to discuss your own life insurance or the life insurance program in general. Our Retirement Information Office is staffed with Customer Service Specialists trained to provide information and assistance to you in a wide variety of situations. You can request many of the services you need by telephone. This includes mailing and payment address changes.

To reach the Retirement Information Office, call 1-888-767-6738. With the exception of Federal holidays and weekends, this office is open from 7:30 a.m. to 7:45 p.m. Eastern time, Monday through Friday. Annuitants with hearing impairments who have TDD equipment should call 1-800-878-5707. If you are calling within the local Washington, DC, area, dial 202-606-0500. To use TDD equipment on local calls, dial 202-606-0551.

When you call, you will be greeted by an automatic answering system which will guide you through a menu that lists the topics our customers call about most frequently. This system allows you to record requests for services (such as asking for forms you need or reporting a death — features that are available even after business hours). ***If you call during our business hours, you will have the opportunity to speak to a Customer Service Specialist.***

To authorize changes to your life insurance coverage, you will need to write to us. We need your written instructions so that if there is any question about your life insurance after your death, we will have your intentions documented.

Whether you call for information or write, be sure to give us your civil service retirement claim number (CSA number). This number is shown on your identification card and on all correspondence from us. If you write, please give us your full name and your date of birth or your social security number as well as your claim number.

If someone writes on your behalf, we still must have ***your signature*** in order to provide information about your life insurance coverage. Unless you have assigned your coverage, ***you*** are the only person with the ability to cancel or decrease your life insurance coverage or designate a beneficiary. These are your personal rights under the Federal Employees' Group Life Insurance Program.

If you become mentally incompetent, no one can make any change in your life insurance. Our policy in this area is designed to protect the annuitant's entitlement to the life insurance benefit. Actions that cannot be undone by the annuitant if he or she regains competence, or actions that can be made in favor of another person to the detriment of the annuitant, are the annuitant's personal rights that may not be exercised by court-appointed guardians or others.

If the life insurance has been assigned, these rights extend to the assignee (the person who owns the life insurance).

Address your correspondence about life insurance to:

U.S. Office of Personnel Management
Retirement Operations Center
P.O. Box 45
Boyers, PA 16017-0045

Note to employees:

This pamphlet is written for retired persons. Because the U.S. Office of Personnel Management does not have access to employees' personnel records, employees need to contact their agency human resources offices for assistance and specific information about insurance.

General Information about the Federal Employees' Group Life Insurance Program

The Federal Employees' Group Life Insurance Program provides insurance which builds no cash value; it is intended to provide a cash payment after your death. You ***cannot*** borrow against your Federal life insurance benefit.

Requirements for Continuing Life Insurance Coverage into Retirement

Your Basic Life, Option A - Standard, Option B - Additional, and Option C - Family insurance coverages (depending on what coverage you may have) are continued into retirement if:

1. you retired on an immediate annuity (one which began within a month after you separated), and
2. you were insured for the five years of service immediately before your annuity commencing date or for the entire period(s) during which the coverages were available to you, and
3. you elected to continue your coverage, and
4. you did not convert your life insurance to an individual policy.

Note that under the Federal Employees' Retirement System, an immediate annuity includes eligibility for an annuity if you separate at the minimum retirement age and have 10 years of service. If you meet the requirements above, you may continue your life insurance coverage as a retiree even if you choose to postpone receipt of your annuity. If you do choose to postpone receiving your annuity, your coverage stops until the date your annuity begins. If you want to continue the coverage you had when you separated, it will resume when your monthly payments begin, even if you convert your life insurance to an individual policy upon your separation for retirement.

If You Were Not Eligible to Continue Life Insurance as a Retiree

If your coverage did not continue into retirement, it ended when you separated for retirement (or at the end of 12 months non-pay status if you were in a non-pay status before your separation), subject to the 31-day temporary extension of coverage. This 31-day extension of your life insurance coverage (excluding accidental death and dismemberment insurance) is automatic. If you were not eligible to (or did not want to) continue life insurance coverage as a retiree, you had the opportunity to convert to an individual policy. Generally, to have continuous insurance protection, you had to apply for the individual policy and pay the first premium to the insurance company within the 31-day temporary extension of coverage period.

Time Limit on Converting to an Individual Policy

To convert to an individual policy, you must have applied by following the instructions on Standard Form 2819, *Notice of Conversion Privilege,* within 31 days after your insurance as an employee ended or within 31 days after receiving the notice, whichever gave you more time. If we terminated your insurance after you retired, you must have applied within 31 days of the date you received Form RI 76-1, *You Cannot Continue Your Basic Life Insurance*, or Form RI 76-6, *You Cannot Continue Your Optional Life Insurance*, from the U.S. Office of Personnel Management . After the 31-day temporary extension of coverage period expired, you no longer had Federal life insurance protection.

If you were unable to convert to an individual policy within the 31-day time limit for reasons beyond your control or you never received a notice, you may make a belated request by writing directly to:

Office of Federal Employees' Group
Life Insurance
P.O. Box 2627
Jersey City, NJ 07303-2627

You must mail your belated request within 6 months after you first became eligible to convert to an individual policy. You should provide a full explanation of the cause beyond your control that prevented you from making a timely request. The Office of Federal Employees' Group Life Insurance will determine if you are eligible to convert.

The Cost of Your Coverage

You can determine the exact cost of your coverage from the discussions below. If you are receiving annuity payments, we withhold your life insurance premiums from your annuity. Effective October 30, 1998, all retirees may pay the premiums directly to us if their annuity is too low to cover the cost of the coverage. We will notify you if your monthly annuity is too low to cover the cost of the life insurance coverage and will give you the opportunity to make direct payment. Once you elect to make direct payment, you must continue to make payments as long as you are eligible for continued enrollment in the Program, even if your monthly annuity increases to the point where we could deduct your life insurance premiums from your annuity. The direct pay option is not available to Civil Service Retirement System retirees whose annuities were too low to cover the cost of their life insurance before October 30, 1998.

Note: The monthly premium rates shown in this pamphlet are correct as of the date of publication, but are subject to change.

Basic Life Insurance

The amount of your Basic life insurance *(formerly known as "Regular insurance")* is determined by (1) your annual rate of basic pay in effect when you separated for retirement or (2) the annual rate of basic pay in effect at the expiration of 12 months in non-pay status, if this occurred before you separated.

Generally, the annual basic pay rate (if not an even thousand) is rounded to the next higher thousand, plus $2,000 to arrive at the basic insurance amount, or ***face value***, of your Basic life insurance. For example, if your basic pay at separation was $27,500, your Basic life insurance amount at retirement is $30,000. Also, if you die before age 45, the amount of your Basic life insurance is increased by a multiplication factor based on your age. This extra benefit is not included in the face value of your Basic life insurance.

Note: Accidental death and dismemberment insurance stops at retirement.

Items 1, 2, and 3 below discuss how to determine the cost of Basic life insurance and the amount, if any, by which your coverage will reduce after you reach age 65.

1. If you separated for retirement ***before*** December 9, 1980, your Basic life insurance will begin to reduce by 2% of the face value each month beginning with the second month after the date you are 65 or the second month after you retire, whichever is later. This reduction continues until your Basic life insurance reaches 25% of the face value. This is a 75% reduction. For example, if, after you are retired, your 65th birthday occurred in October 1995, your life insurance remained at the full face value through November 30, 1995. The insurance began to reduce by 2 % of the face value per month effective December 1, 1995; by another 2% on January 1, 1996; and so on until January 1, 1999, when your life insurance reached 25% of the face value. This coverage is ***free***.

2. If you separated for retirement ***on or after*** December 9, 1980, and ***before*** January 1, 1990, you elected one of the following reduction schedules for your Basic life insurance:

   - ***75% Reduction*** - If you elected this reduction schedule, your Basic life insurance will begin to reduce by 2% of the face value each month beginning with the second month after the date you are 65 or the second month after you retire, whichever is later. This reduction continues until your

Basic life insurance reaches 25% of the face value, as explained above for pre-December 9, 1980, retirees. This coverage is ***free.***

- ***50% Reduction*** - If you elected this reduction schedule, your Basic life insurance will begin to reduce by 1% of the face value each month beginning with the second month after the date you are 65 or the second month after you retire, whichever is later. This reduction continues until your Basic life insurance reaches 50% of the face value. We withhold premiums for this coverage after age 65 (or retirement, if later) from your annuity beginning at retirement and continuing for life. The monthly premium is $.59 per month per $1,000 of the ***full face value*** of the Basic life insurance in effect at retirement. These premiums are not reduced when the Basic life insurance amount begins to reduce (at age 65, or retirement, whichever occurs later).

- ***No Reduction*** - If you elected this reduction schedule, the full amount of your Basic life insurance remains in force after you reach age 65. We withhold premiums for this additional coverage from your annuity beginning at retirement and continuing for life. The monthly premium is $2.04 per month per $1,000 of the ***full face value*** of the Basic life insurance in effect at retirement.

3. If you separate for retirement ***after*** December 31, 1989, you must elect one of the three reduction schedules described in Item 2 above when you retire. Regardless of which reduction schedule you elect, if you separate before age 65, until you are 65 you must also pay the same premium as employees for the Basic life insurance you continue into retirement. The monthly premium is $0.3358 for each $1,000 of the Basic life insurance in effect at retirement. ***This premium is in addition to the premium required if you elect either 50% or No Reduction as discussed in Item 2.*** See the example on page 8. We will stop withholding the monthly premium for Basic life insurance (but

will continue to withhold for the 50% or No Reduction schedule you elected) from your annuity the first of the month after you are 65.

Example: If you are under age 65 and separate for retirement after December 31, 1989, and you:

1. have Basic life insurance of $29,000 and
2. elect the 50% Reduction,

your monthly premium for continuing Basic life insurance into retirement is $9.74 (29 x $0.3358) and the monthly premium for electing the 50% Reduction is $17.11 (29 x $0.59). We will withhold the $9.74 premium for continuing your Basic life insurance into retirement through the end of the month in which you are 65. However, we will withhold premiums for the 50% Reduction (or No Reduction, if elected) from your annuity as long as you live, unless you cancel your election.

If you elected 50% or No Reduction, you can cancel that election at any time, unless you have assigned your insurance. If you cancel your election, your Basic life insurance will be subject to 75% Reduction. The amount of your insurance will be the same as though you had elected 75% Reduction when you retired. Note that you cannot change your election from No Reduction to 50% Reduction. If you cancel your election, you will not be entitled to a refund of the premiums we have withheld from your annuity. A cancellation will be effective the end of the month in which we receive your request. For example, if we receive your request to cancel your 50% Reduction in Basic life insurance in May, the cancellation will be effective June 1 and the payment you receive on July 1 (covering your annuity and insurance premiums for the month of June) will be the first payment without a withholding for the 50% Reduction.

The following chart shows the cost of Basic life insurance and the various reductions for persons who retired after December 31, 1989:

Election	Monthly Cost per $1,000 of Basic Life insurance	
	Before Age 65	***First of the month After Age 65***
75% Reduction	$ .3358	Free
50% Redution	$ .9258 ($.3358 + $.59)	$ .59
No Reduction	$2.3758 ($.3358 + $2.04)	$2.04
These rates are subject to change.		

Option A - Standard Insurance

The amount of Option A - Standard insurance (formerly known as "Optional insurance") is $10,000 at retirement. If you retired before October 30, 1998, your Option A insurance may have been higher than $10,000. If you have this coverage, it will begin to reduce by 2% per month ($200) beginning the second month after you are 65 or the second month after you retire, whichever is later, until it reaches 25% of the face value ($2,500). We will withhold premiums for Option A insurance from your annuity through the end of the month in which you are 65, unless you elect to cancel this coverage. You cannot cancel your insurance if you have assigned it. The cost of Option A insurance depends on your age. The premiums increase depending on your age group until you are 65, as shown in the following table:

Age Group	Monthly Premium
Under age 35	$.65
Age 35 through 39	.87
Age 40 through 44	1.30
Age 45 through 49	1.95
Age 50 through 54	3.03
Age 55 through 59	5.85
Age 60 through 64	13.00
Age 65 and Over	No cost
These rates are subject to change.	

When you go from one age group to the next, your premiums will increase at the beginning of the month after your birthday. The increased premium will be reflected in the next payment. For example, if you are 60 in May, your monthly premium for Option A insurance would increase from $5.85 to $13.00 effective June 1. This increased premium would be reflected in your payment dated July 1, which covers your annuity and insurance premiums for the month of June.

We will stop withholding the monthly premium from your annuity the first of the month after you are 65. For example, if you reach age 65 in May, premiums for Option A insurance will stop June 1. This will be shown in your payment dated July 1, covering your annuity and insurance premiums for the month of June.

Option B - Additional Insurance

Option B - Additional insurance was first available to active Federal employees in April 1981. This coverage was not available to anyone who retired before April 1981. The amount of coverage is determined by multiplying your final annual basic pay rate by the number of Option B multiples that were in effect for the five years of service immediately before your retirement or the entire periods of service during which these multiples were available to you, if less than five years. It is possible to have as many as 5 multiples. (Before multiplying, the basic pay is rounded to the next higher thousand if it is not an even thousand.)

For example, if the number of multiples in effect for the five years of service before your retirement was 3 and your final basic salary rate was $27,500, the amount of your Option B insurance at retirement is $84,000 (3 x $28,000).

If you separated for retirement on or after April 24, 1999, and were eligible to continue Option B insurance in retirement, your agency asked you to elect how many of your Option B multiples would continue in retirement and whether — at age 65 — multiples will continue at their full value or will gradually reduce to zero.

We will give all annuitants who are eligible to make an election regarding the reduction of Option B a second opportunity to make this election. Those who are 65 or older at retirement will hear from us when we are processing their retirement applications. We will contact annuitants who retired before age 65 shortly before their 65th birthday. At that time, the annuitant may elect either Full Reduction or No Reduction for each separate multiple of Option B. For example, a person with five multiples may elect No Reduction on two multiples, while the three remaining multiples reduce fully.

If you elect Full Reduction or if you separated for retirement before April 24, 1999, effective the first day of the second month after you reach age 65 or the first day of the second month after you retire, whichever is later, your Option B full-reduction multiples will reduce by 2% of the face value per month for 50 months, at which time this coverage will end. We will withhold premiums for this coverage from your annuity through the month in which you reach age 65.

If you elect to continue some or all of your Option B multiples with No Reduction, when you are 65 or at retirement, whichever is later, we will adjust the withholding for your Option B coverage to reflect the number of multiples you decided to retain at no reduction. Any other multiples will start to reduce as described above.

You can cancel or reduce the number of multiples at any time, unless you have assigned your insurance. The cost of Option B insurance depends on your age, the amount of insurance in effect when you retired, and the reduction you elect, as shown in the following table:

Age Group	Monthly Withholding per $1,000 of Insurance
Under age 35	$.065
Age 35 through 39	.087
Age 40 through 44	.130
Age 45 through 49	.217
Age 50 through 54	.325
Age 55 through 59	.672
Age 60 through 64	1.517
Age 65 and Over	1.517 for multiples that are not reducing. No cost for multiples that are reducing.
These rates are subject to change.	

When you go from one age group to the next, your premiums will increase at the beginning of the month after your birthday. The increased premium will be reflected in the next payment. For example, if you are 60 in May and the full amount of your Option B insurance was $84,000 at retirement, your monthly premium for this benefit would increase from $56.45 (84 x $.672) to $127.43 (84 x $1.517) effective June 1. This increased premium would be reflected in your payment dated July 1, which covers your annuity and insurance premiums for the month of June.

If you elect to have some or all Option B multiples reduce, we will stop withholding the monthly premium for the multiples that are to reduce the first of the month after you are 65. For example, if you reach age 65 in May, premiums for Option B - Additional insurance multiples that reduce will stop June 1. This will be shown in your payment dated July 1, covering your annuity and insurance premiums for the month of June.

Option C - Family Insurance

Option C - Family insurance first became available to active Federal employees in April 1981. This coverage was not available to anyone who retired before April 1981. If you separated for retirement before April 24, 1999, and have Option C insurance, the amount of insurance is $5,000 upon the death of a spouse and $2,500 upon the death of an eligible child.

The life insurance open enrollment period - April 24 through June 30, 1999 - was the first opportunity for most employees to elect up to five multiples of Option C insurance coverage. Employees who had a "life event," such as marriage, the birth of a child, etc., that occurred on or after October 30, 1998, were eligible to increase the amount of family coverage. The effective date of that election was the pay period that included April 24, 1999. The open enrollment period also permitted employees who had not had a life event to elect additional multiples of Option C. This increased coverage not due to a life event is effective on April 23, 2000, provided the employee was in a pay and duty status on that date. These election opportunities were not available to retirees.

The amount of insurance is determined by the number of Option C multiples that were in effect for the five years of service immediately before your retirement, or the entire periods of service during which this coverage was available to you, if less than five years.

To figure the amount of insurance on your spouse, multiply $5,000 by the number of Option C multiples you continued in retirement. For coverage on your eligible children, multiply these multiples by $2,500.

Eligible children include:

1. your unmarried dependent children (other than a stillborn child), including legally adopted children,
2. your unmarried dependent stepchildren and foster children if they live with you in a regular parent-child relationship, and
3. your unmarried recognized natural children born out of wedlock who are either living with you in a regular parent-child relationship or who are receiving regular and substantial support from you.

To be covered, a child must be under age 22 or, if 22 or over, incapable of self-support because of a mental or physical disability which existed before the child became 22 years of age. We will determine if a child age 22 or over was covered in the event a retiree files a claim for benefits after that child's death. To ask us whether a foster child qualifies as an eligible child, call our Retirement Information Office for assistance.

If you separated on or after April 24, 1999, and were eligible to continue Option C insurance in retirement, you were asked to elect whether — at age 65 — some or all of your Option C multiples will continue at their full value or will gradually reduce to zero. We will give annuitants who reach age 65 after retirement another opportunity to make this election. If you elect Full Reduction for all multiples or if you separated for retirement before April 24, 1999, effective the first day of the second month after you reach age 65 or the first day of the second month after you retire, whichever is later, your Option C full-reduction multiples will reduce by 2% of the face value per month for 50 months, at which time this coverage will end. We will withhold premiums for this coverage from your annuity through the month in which you reach age 65.

If you elect to continue some or all of your Option C multiples with No Reduction we will adjust the withholding for your Option C coverage to reflect the number of multiples you decided to retain at no reduction. Any other multiples will start to reduce as described above. You can cancel or reduce the number of multiples at any time.

The cost of Option C insurance depends on your age, the number of multiples you have, and the reduction you elect, as shown in the following table:

Age Group	Monthly Premium Per Multiple
Under age 35	$.59
Age 35 through 39	.74
Age 40 through 44	1.00
Age 45 through 49	1.30
Age 50 through 54	1.95
Age 55 through 59	3.14
Age 60 through 64	5.63
Age 65 and Over	No cost for the multiples that are reducing.
Age 65 through 69	6.50*
Age 70 and Over	7.37*
* This premium is effective May 1, 2000, and will be deducted starting with the June 1, 2000, payment if the insurance is not reducing.	
These rates are subject to change.	

When you go from one age group to the next, your premiums will increase at the beginning of the month after your birthday. The increased premium will be reflected in the next payment. For example, if you are 60 in May, your monthly premium for Option C insurance would increase from $3.14 to $5.63 effective June 1. This increased premium would be reflected in your payment dated July 1, which covers your annuity and insurance premiums for the month of June.

If you elect to let some or all Option C multiples reduce, we will stop withholding the monthly premium for these multiples the first of the month after you are 65. For example, if you reach age 65 in April, premiums for Option C insurance would stop May 1. This would first be reflected in your payment dated June 1, which covers your annuity and insurance premiums for the month of May.

You are the beneficiary under Option C insurance. After your death, Option C stops. However, covered surviving family members will have an opportunity to convert to a non-group policy.

How to Change Your Life Insurance Coverage after Retirement

Unless you have assigned your insurance, you may cancel it at any time. If you cancel your Basic life insurance, you are cancelling all your Optional insurance as well.

If you elected 50% or No Reduction for your Basic life insurance, you may cancel this additional coverage at any time. If you have Option A - Standard insurance, you may cancel it at any time. You may reduce (or cancel) the amount of your Option B - Additional and Option C - Family insurance at any time. To do so, please write to us telling us what you want to do.

If you have assigned your life insurance or have elected a living benefit, please call us to discuss any change you want to make in your coverage. Assignment and living benefits are situations that may prevent you from making changes.

Write to:

U.S. Office of Personnel Management
Retirement Operations Center
P.O. Box 45
Boyers, PA 16017-0045

Be sure to give us your civil service retirement claim number (CSA number) and specify what action you want taken. Generally, the reduction or cancellation is effective at the end of the month in which we receive your written request. You will not receive a refund of any premiums paid through the end of the month in which we receive your request. However, if you are cancelling Option C insurance in its entirety, the cancellation is retroactive to the end of the month in which you no longer had an eligible family member. (When you look for your premiums to change, remember that the annuity payment you receive on the first business day of the month pays annuity and insurance premiums for the preceding month.)

Termination of Life Insurance

Your Federal life insurance will terminate if your entitlement to annuity benefits ends. For example, if you are a disability retiree under age 60 and you are found recovered or restored to earning capacity, your disability annuity and life insurance coverage will end. You do not have the 31-day extension of coverage and may ***not*** convert the life insurance to an individual policy.

If you are a disability retiree whose annuity terminated as described above, you will retain your life insurance coverage if you are entitled to and apply for an immediate discontinued-service annuity. You will receive complete information concerning your right to do so if your disability annuity terminates. Also, if you are under age 60 and your disability annuity is reinstated due to loss of earning capacity or a recurrence of the disability for which you retired, you will be given an opportunity to have your life insurance coverage reinstated. Only coverage of the type and up to the amount you had in effect at the time your disability annuity was terminated can be reinstated. If you are entitled only to a deferred annuity after your disability annuity terminates, you cannot retain your life insurance coverage as a retiree, and you cannot convert it to an individual policy. Under certain conditions, your annuity and life insurance coverage will terminate if you are reemployed in the Federal service, as explained in the following discussion.

Reemployment in the Federal Service

You must tell the agency in which you are seeking reemployment that you are an annuitant. If you become reemployed, you must notify:

U.S. Office of Personnel Management
Retirement Operations Center
P.O. Box 45
Boyers, PA 16017-0045

You should send us either (1) a copy of the personnel document showing your appointment, if possible, or (2) the full name and address of your employing agency and the date you were reemployed.

If Annuity Terminates Due to Reemployment

If you are reemployed under conditions which terminate your annuity, your life insurance coverage as a retiree also ends without the right to convert to an individual policy. You can, however, acquire life insurance coverage as an employee, provided you are reemployed in a position which includes such coverage.

If Annuity Continues During Reemployment

If your annuity continues during your reemployment and you are reemployed in a position which is excluded from life insurance coverage, you will retain any Basic and Optional life insurance coverages you have as a retiree.

Basic Life, Option A, and Option C -
If you are reemployed in a position with life insurance coverage, you will automatically acquire Basic life and any Option A and Option C coverage you have as a retiree or an employee unless you waive all insurance coverage.

Note: Any waiver of life insurance you file with your employing agency as a reemployed annuitant applies not only to your life insurance as an employee, but also to the insurance you have as a retiree.

You are eligible for Option A - Standard insurance unless you have on file a valid waiver of Basic life insurance or Option A insurance. In addition, you can acquire Option C - Family insurance as an employee, unless you have on file a valid waiver of Basic life insurance or Option C.

If you acquire the above life insurance coverage(s) as an employee, your employing agency will withhold the applicable premiums from your salary, and we will suspend your Basic life, Option A, and Option C during your reemployment. After your employing agency notifies us, we will stop withholding premiums for Basic, Option A, and Option C.

Option B -
If you are reemployed in a position with life insurance coverage, you are also eligible for Option B - Additional insurance, unless you have on file a valid waiver of Basic life insurance or Option B insurance. However, if you have this insurance as a retiree, that coverage will continue unless you file an election of Option B insurance on Standard Form (SF) 2817, *Life Insurance Election*, with your employing agency within 31 days after you are reemployed. If you do so, your employing agency will withhold premiums for your employee-acquired Option B insurance from your salary. (Please note that if you file SF 2817 with your employing agency, you must fill it out completely to reconfirm all the coverage you have, not just electing Option B. Otherwise, your other coverage will be cancelled.) In this instance, your Option B coverage as a retiree (including any premiums withheld from your annuity) will be suspended during your reemployment after we receive proper notification from your employing agency.

After Your Reemployment Ends

You may retain your reemployment-acquired life insurance (except accidental death and dismemberment benefits) if:

1. you complete at least one year of continuous full-time service (or part-time service which is equivalent to one year of full-time service) and qualify for a supplemental annuity or you acquire a new retirement right, and

2. you were insured for the five years of service immediately preceding your separation from reemployment or for the full period(s) of service during which the insurance was available to you, if less than five years.

Basic Life, Option A, and Option C -
If you are eligible for a supplemental annuity and you meet the requirements above for retaining reemployment-acquired life insurance, you can choose to continue some or all of your reemployment-acquired life insurance and have some or all of your suspended retiree coverage reinstated.

Option B -

- If you decided to continue your Option B life insurance as a retiree, your reemployment has no effect on your Option B insurance.

- If you filed Standard Form (SF) 2817, *Life Insurance Election*, with your employing agency electing Option B and you are eligible for a supplemental annuity and meet the requirements listed above for retaining reemployment-acquired life insurance, your reemployment-reacquired Option B will continue after you are no longer reemployed. We will withhold the premiums from your annuity after we receive proper notification from your employing agency.

If your annuity continued during your reemployment but you are not eligible to continue your reemployment-acquired life insurance, we will reinstate the life insurance coverage you had as a retiree. The reinstated coverage will be the amount you would have had if the coverage had not been suspended, *i.e.*, your coverage may be reduced if you are age 65 or older. We will resume withholding premiums from your annuity, if appropriate, after we receive notification from your former agency.

Who Receives Your Basic Life, Option A - Standard, and Option B - Additional Insurance Benefits

When you die, the law requires that the Office of Federal Employees' Group Life Insurance (OFEGLI) pay life insurance benefits as shown below:

1. If you assigned ownership of your life insurance, OFEGLI will pay benefits:
   - ❖ First, to the beneficiary(ies) designated by your assignee(s), if any;
   - ❖ Second, if there is no such beneficiary, to your assignee(s).

2. If you did ***not*** assign ownership and there ***is*** a valid court order,* OFEGLI will pay benefits in accordance with that court order.

3. If you did ***not*** assign ownership and there is ***no*** valid court order,* OFEGLI will pay benefits:
   - ❖ To the beneficiary(ies) you designated;
   - ❖ If you did not have a valid designation of beneficiary or the beneficiary predeceased you and there are no other surviving designated beneficiaries, to your widow or widower;
   - ❖ If none of the above, to your child or children, with the share of any deceased child distributued among descendants of that child;
   - ❖ If none of the above, to your parents in equal shares or the entire amount to your surviving parent;
   - ❖ If none of the above, to the court-appointed executor or administrator of your estate;

* A valid court order refers to a certified court decree, order, or property settlement agreement incident to your court decree of divorce, annulment, or legal separation that your agency or the U.S. Office of Personnel Management receives on or after July 22, 1998, and before your death. An order is not valid if you file it with your former employing agency after you retire. Such an order would state who is to receive your Federal Employees' Group Life Insurance benefits.

- ❖ If none of the above, to your next of kin as determined under the laws of the State where you lived.

If you want payment to be made differently than listed in item 3 on page 21, and you have not assigned your life insurance and a valid court order* is not on file, you should designate a beneficiary. However, if you are satisfied with the order of payment listed in item 3, you do not need to make any designation.

If there is a valid court order* on file, you cannot change or submit a designation of beneficiary unless the person(s) named in the court order agrees in writing or unless the court order is modified or voided.

You cannot designate beneficiaries if you have assigned your insurance. Only the assignee(s) may designate beneficiaries.

If item 3 applies to you and you have named more than one beneficiary, the share of any beneficiary who dies before you die is distributed equally among the surviving beneficiaries or entirely to the survivor. If none of the beneficiaries survive you, payment reverts to the other persons listed in item 3.

If item 3 applies to you and you have a designation of beneficiary that the Office of Federal Employees' Group Life Insurance (OFEGLI) cannot use to pay benefits, OFEGLI will pay benefits according to the next most recent designation. If there is no designation that can be used, OFEGLI will follow the order of precedence shown in item 3. Standard Form (SF) 2823, *Designation of Beneficiary*, gives detailed instructions about how to prepare the form and what is or is not acceptable based on the law and regulations.

* A valid court order refers to a certified court decree, order, or property settlement agreement incident to your court degree of divorce, annulment, or legal separation that your agency or the U.S. Office of Personnel Management receives on or after July 22, 1998, and before your death. An order is not valid if you file it with your former employing agency after you have retired. Such an order would state who is to receive your Federal Employees' Group Life Insurance benefits.

If you had a designation of beneficiary in effect when you retired, it remains in effect during your retirement unless you change or cancel it (see ***How To Designate a Beneficiary*** on page 24). You do not need the consent of anyone to change your beneficiary. If the name or address of a beneficiary changes, we ask that you submit another designation form to show the correct information. If a designated beneficiary dies before you do, his or her rights and interests in your insurance benefits end.

Remember that unless you change or cancel your designation, the person named — such as a former spouse — will receive your life insurance after your death.

If your life insurance stops for any reason (see ***Termination of Life Insurance*** on page 17), any designation of beneficiary you previously filed is void 31 days after your coverage stops. If you later reacquire insurance as an employee, you must file a new form with your employing office if you want your new insurance benefits paid to a designated beneficiary.

If any person otherwise entitled to payment fails to make a claim within one year after your death or if payment to such person is prohibited by Federal statute or regulation, payment may be made in the order shown in item 3 starting on page 21 as if that person had died before you. If, within two years after your death, no claim has been made by any person entitled to payment as explained above, payment may be made to a claimant who in the judgment of the Office of Personnel Management is equitably entitled to the insurance. If such payment is made, no one else can claim the payment.

If less than $7,500 life insurance is payable, the Office of Federal Employees' Group Life Insurance (OFEGLI) will make payment by check. However, if $7,500 or more is payable, OFEGLI will open a money market account in the name of the person who is payable and will mail a checkbook to the payee. The payee may close the account immediately or may write checks for any amount from $250 up to the entire balance in the account at any time. There is no charge for checks and the balance in the account earns interest from the day it is opened. At the time such a payment is made, the Office of Federal Employees' Group Life Insurance (OFEGLI) will give the payee complete details about the account. You cannot make any payment arrangements in advance of your death.

How to Designate a Beneficiary

Unless you assign your life insurance as discussed starting on page 28, only ***you*** may designate a beneficiary. Designations by someone with your power of attorney are not valid. If you are incompetent, your designation of beneficiary cannot be altered.

You may obtain Standard Form (SF) 2823, *Designation of Beneficiary*, to name a beneficiary or to change or cancel a previous designation by calling our toll-free number, from the Internet, using email, or by writing to our Pennsylvania address shown on page 32.

After you complete the form, mail both copies back to this same address. To be valid, your designation must be in writing, signed, witnessed by two persons, and received by the Office of Personnel Management before your death. An unwitnessed letter indicating your intent does not constitute a valid designation of beneficiary. ***Witnesses to the designation may not be named as beneficiaries.***

> Be ***sure*** to keep your designation of beneficiary up-to-date. OFEGLI cannot make payment if they cannot locate the beneficiary.

If you name more than one beneficiary, be sure to specify their respective shares of your insurance benefits, otherwise they will share equally. Designate percentages or fractions; do not designate dollar amounts.

Do not send your designation to your former agency. If you send your designation to your former agency by mistake and we do not receive it before your death, it is not a valid designation of beneficiary.

How Your Survivors Apply for Life Insurance Benefits

Your beneficiary or other survivor as described on page 21 should call or write to us in the event of your death.

The beneficiary or other survivor should provide your full name and (1) your civil service retirement claim number (CSA number) or Social Security number, (2) date of birth, and (3) date of death.

The Office of Personnel Management (OPM) at that time will furnish the proper form (Form FE-6, *Claim for Death Benefits*) and instructions for claiming benefits. The claim form should be filed with the Office of Federal Employees' Group Life Insurance, not with OPM; the address is on the Form FE-6. It is the responsibility of the person to whom the benefits are payable to file the claim and to furnish proof of death and any other evidence which may be needed at that time.

Who Receives Benefits Under Your Option C - Family Insurance

If you have Option C - Family insurance, ***you*** are the beneficiary. No designation is permitted under the law. Payment will be made to you in a lump sum. If you should die after the death of an insured family member but before payment of your claim, payment will be made to the person (or persons) to whom your Basic life insurance benefits are payable.

How to File a Claim for Option C - Family Insurance Benefits

If an insured family member (your spouse or eligible child as described in Option C - Family insurance, page 13) dies, you should call us, use the Internet, or write to us for the appropriate claim form (Form FE6-DEP). This form provides complete instructions for filing your claim. (You should not request this form unless the benefit becomes payable due to the death of an eligible family member.)

If we are withholding premiums for Option C from your annuity and you no longer have an eligible family member, you should notify us so we can stop withholding premiums.

In the event of your death, any eligible family member can convert his or her own coverage to an individual policy within 31 days after your death or within 31 days after he or she receives our notice of the right to convert, if later.

Living Benefits

You may elect to receive a lump-sum payment called a living benefit if you are terminally ill and have a documented medical prognosis that you are not expected to live more than nine months. Eligible annuitants may elect a full lump-sum payment equal to their Basic life insurance amount, plus any extra benefit for persons who are under age 45, that would be in effect nine months after the date the Office of Federal Employees' Group Life Insurance (OFEGLI) receives a completed claim for living benefits. If the life insurance is reducing, the lump sum will be the reduced amount payable nine months after OFEGLI receives the completed claim form. Annuitants cannot elect a partial living benefit payment; this option is available only to employees.

If you have assigned your life insurance coverage, neither you nor the assignee may elect living benefits. However, if you elected a living benefit, you may assign any remaining life insurance.

Your living benefits payment will be reduced by a nominal amount to make up for lost earnings to the Life Insurance Fund because of the early payment of benefits.

If you receive living benefits after retirement, no Basic life insurance will be payable after your death. We will stop withholding any Basic life insurance premiums from your monthly annuity. If you elected living benefits before you retired, the amount of Basic life insurance payable after your death and the premiums we withhold from your annuity depend upon the amount of living benefits you received before retirement.

Your election of living benefits has no effect on the amount of any optional life insurance you may have. We will continue to withhold any premiums for optional insurance.

You may contact the Office of Federal Employees' Group Life Insurance at 1-800-633-4542 to obtain Form FE-8, *Claim for Living Benefits*, to elect living benefits. This form is not available from agencies or from your retirement system.

Irrevocable Assignment of Life Insurance

If you wish, you may assign your life insurance to one or more persons, firms, or trusts. Assignment means that you agree to give up ownership of your Basic, Option A and Option B life insurance coverage ***forever***. You ***cannot cancel*** the assignment. The assignee becomes the beneficiary. If you assign your insurance, you must continue to pay any life insurance premiums. We will withhold the premiums from your annuity. However, if your annuity is too low to cover the cost of your life insurance, you or your assignee(s) may pay the premiums to us as described on page 5. You cannot assign Option C - Family insurance, because, by law, only you can be the beneficiary.

Only you can assign your life insurance. No one can do it on your behalf, and no one can force you to make an assignment. People generally assign insurance to comply with requirements of a court order for divorce, for personal financial planning purposes, or to satisfy a debt.

a) ***To comply with a court order* -** You may assign your life insurance in order to comply with a court order for divorce.

   Frequently, the court will order a Federal retiree to name a former spouse as the life insurance beneficiary. Assigning life insurance coverage to a former spouse provides a means for the retiree to assure the court that life insurance benefits will be payable to a former spouse or his or her designated beneficiary.

b) ***For inheritance tax purposes* -** Generally, if an assignment is made at least three years before an individual's death, the insurance is considered a gift to the assignee, rather than a part of the estate of the insured. Current Federal estate tax law allows an unlimited marital deduction for that portion of the gross estate passed to a surviving spouse. Thus, there is no apparent immediate tax advantage to assigning ownership of a life insurance policy to a spouse. However, since State tax laws vary and tax savings under Federal or State law can be considerable if insurance proceeds are not subject to estate taxes, it is important to rely on the advice of a competent estate tax advisor.

The Office of Personnel Management assumes no responsibility or obligation with respect to the validity, sufficiency, or the consequences of an assignment under the Internal Revenue Code. A determination as to whether the life insurance proceeds are included in your gross estate must ultimately be made by the Internal Revenue Service at the time of your death.

c) ***To obtain accelerated death benefits* -** You can assign your life insurance to a viatical settlement firm. You might wish to do this if you are terminally ill in order to obtain a portion of the value of your life insurance before your death.

d) ***To satisfy a debt* -** You can assign your life insurance to a person or corporation to satisfy a debt.

By assigning your life insurance, you give up the right to designate beneficiaries and to reduce the amount of insurance coverage (even if the cost is more than you can afford).

If you assign your life insurance to more than one person, you must specify the percentage shares for each person. You are not permitted to name contingent assignees in the event the primary assignee predeceases you.

An assignment cancels any designation of beneficiary you have made. After the assignment, only the assignee(s) may designate beneficiaries. Each assignee may designate anyone, including himself or herself, as the beneficiary of the portion of your life insurance the assignee owns. An assignee may designate a contingent beneficiary and may change the designation of beneficiary at any time. Each assignee is responsible for keeping us advised of his or her current address.

If the assignee does not designate a beneficiary, the assignee is the beneficiary and receives the benefits after your death.

An assignee may reassign his or her portion of the insurance coverage to individuals, firms, or trusts.

The assignee assumes all rights to cancel your life insurance. If there are two or more assignees, all of them must agree to any cancellation of your coverage.

The assignee has the same life insurance conversion rights as those described for annuitants on page 4 of this booklet, as long as the assignment was effective on or before the right to convert arose.

The assignee has the right to change your reduction schedule election to the maximum reduction. If there is more than one assignee, all of them must agree to change the election.

If you want to assign your life insurance, call, use the Internet, or write to us asking for an assignment form RI 76-10, *Assignment of Federal Employees' Group Life Insurance*. The assignment will be effective on the date we receive the properly completed, signed, dated, and witnessed assignment form. Instructions for making an assignment are on the form.

Information for Compensationers

If your life insurance coverage as an employee terminated and you are receiving benefits from the Department of Labor, Office of Workers' Compensation Programs under conditions which allow you to continue life insurance as a compensationer, your coverage is subject to the same conditions as a retiree. However, if your life insurance coverage as an employee terminated ***before*** November 2, 1978, (because of separation or completion of 12 months non-pay status), the amount of your life insurance will ***not*** reduce when you reach age 65, as long as you are in receipt of compensation and are determined by the Department of Labor to be unable to return to duty.

You should be aware that if the Department of Labor determines that you are capable of returning to work (even if only part-time; even if they continue loss-of-wage-earning-capacity payments; even if you do not actually return to work), your life insurance coverage as a compensationer ***ends***. You will not have the 31-day extension of coverage; you will not have a right to convert your life insurance to an individual policy. Of course, if you return to work in a Federal position eligible for life insurance coverage, you can again obtain life insurance.

If you are separated from your agency on an approved disability retirement which is suspended because you are in receipt of Workers' Compensation and you are notified that you are capable of returning to work, you can waive Workers' Compensation and elect retirement. To do this, contact us to discuss your situation and find out how much annuity we would pay you. Then you can decide whether to ask us to start payments to you. We need a copy of your letter to the Department of Labor stating the date that you waive Workers' Compensation to receive payments from us. If you make this election, your life insurance will continue, and we will withhold the premiums from your monthly annuity.

The information about reemployment in the Federal service, starting on page 18, applies to reemployed Compensationers who have been approved for retirement.

We hope this pamphlet has helped you. If you have other questions about retirement and survivor benefits, you may call as described on page 1 or write to us at the following address:

U.S. Office of Personnel Management
Retirement Operations Center
P.O. Box 45
Boyers, PA 16017-0045

If you do write, please be sure to provide your civil service retirement claim number (CSA number) and date of birth to allow us to identify your records promptly.

Our Internet address is: *http://www.opm.gov/retire*
Address email to: *retire@opm.gov*

The pamphlets listed below offer information about their respective topics. If you wish to request one or more of these booklets, you may call or write to us at the address shown above.

Title	Form Number
Information for Annuitants on the Civil Service Retirement System	RI 20-59
Information for Annuitants on the Federal Employees' Retirement System	RI 90-8
Information for Retirees and Survivor Annuitants About the Federal Employees Health Benefits Program	RI 79-2

Notes

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Retirement & Insurance Service

Serving over 10 million customers, Federal employees, annuitants, and their families