

ELIGIBILITY

ELIGIBILITY FOR LIFE INSURANCE

- , **Basic Insurance**
- , **Optional Insurance**

EMPLOYEES EXCLUDED FROM COVERAGE

- , **Exclusions by Law**
- , **Exclusions by Regulation**

CONCURRENT EMPLOYMENT

- , **Eligibility**
- , **Amount of Insurance**
- , **Multiple Rate Employee with Part-time Flexible Schedule Appointment**

INITIAL DECISION AND RECONSIDERATION

- , **Initial Decision**
- , **Reconsideration Right**
- , **How to Request Reconsideration**
- , **Time Limit**
- , **Who Does the Reconsideration?**
- , **Final Decision**
- , **Effective Date**

CORRECTION OF ERRORS

- , **Employing Office**
 - , **OPM**
 - , **Incontestability**
-

ELIGIBILITY FOR LIFE INSURANCE

Basic Insurance

As a Federal employee, you automatically have Basic insurance, unless you waive it. *Exception:* some employees are excluded from life insurance coverage by law or regulation.

Optional Insurance

Optional insurance is not automatic; you must specifically elect it.

You can elect Optional insurance if:

- You have Basic insurance;
- You don't have a waiver of that type of Optional insurance still in effect (or a waiver of that number of Option B or Option C multiples still in effect); and
- Your periodic pay, after all other deductions, is enough to cover the full cost.

EMPLOYEES EXCLUDED FROM COVERAGE

Exclusions by Law

You are excluded from life insurance coverage by law when:

- You are an employee of a corporation supervised by the Farm Credit Administration, if private interests elect or appoint a member of the board of directors.
- You are not a citizen or national of the United States and your permanent duty station is outside the United States. *Exception:* you are eligible for life insurance coverage if you met the definition of employee on September 30, 1979, by service in an Executive agency (as defined in 5 U.S.C. 2105), the United States Postal Service, or the Smithsonian Institution in the area which was then known as the Canal Zone.
- You are a teacher in a Department of Defense dependents school overseas, if employed by the Federal Government in a nonteaching position during the recess period between school years.
- You were *first* employed by the Government of the District of Columbia on or after October 1, 1987. *Exceptions:* you are eligible for life insurance coverage if you are:
 - , An employee of St. Elizabeths Hospital, who accepts employment with the District of Columbia Government following Federal employment without a break in service, as provided in section 6 of Pub. L. 98-621;
 - , An employee of the D.C. Control Board (District of Columbia Financial Responsibility and Management Assistance Authority), who makes an election under the Technical Corrections to Financial Responsibility and Management Assistance Act (section 153 of Pub. L. 104-134) to be considered a Federal employee for life insurance and other benefits purposes (employees of the D.C. Control Board who are former Federal employees are subject to the provisions of this Handbook concerning cancelling waivers);
 - , The Corrections Trustee or the Pretrial Services, Parole, Adult Probation and Offender Supervision Trustee or an employee of those Trustees who accepts employment with the District of Columbia government within 3 days after separating from the Federal Government;
 - , Effective October 1, 1997, a judicial or nonjudicial employee of the District of Columbia Courts, as provided by Pub. L. 105-33; or
 - , Effective April 1, 1999, an employee of the Public Defender Service of the District of Columbia, as provided by Pub. L. 105-274.

Exclusions by Regulation

You are excluded from life insurance coverage by regulation when:

- You are serving under an appointment limited to 1 year or less. *Exceptions:* you are eligible for life insurance coverage if:
 - , your full-time or part-time temporary appointment has a regular tour of duty and follows a position in which you were insured, with a break in service of no more than 3 days (unless during that prior position you had already completed 12 months in nonpay status);
 - , you are an acting postmaster;
 - , you are a Presidential appointee appointed to fill an unexpired term; or
 - , you are a temporary employee who receives a provisional appointment as defined in 5 CFR 316.403.

- You are employed for an uncertain or purely temporary period, employed for brief periods at intervals, or are expected to work less than 6 months in each year. *Exception:* you are eligible for life insurance coverage if you are employed under an Office of Personnel Management-approved career-related work-study program under Schedule B lasting at least 1 year and in pay status for at least one-third of the total period of time from the date of your first appointment to the completion of the work-study program.

- You are an intermittent employee (a non-full-time employee without a regularly scheduled tour of duty). *Exception:* you are eligible for life insurance coverage if your appointment follows, with a break in service of no more than 3 days, a position in which you were insured and to which you are expected to return (unless during that prior position you had already completed 12 months in nonpay status).

- Your pay, on an annual basis, is \$12 a year or less.

- You are a beneficiary or patient employee in a Government hospital or home.

- You are paid on a contract or fee basis. *Exception:* you are eligible for life insurance coverage when you are a United States citizen, appointed by a contract between you and the Federal employing authority which requires your personal service, and paid on the basis of units of time.

- You are paid on a piecework basis. *Exception:* you are eligible for life insurance coverage when your work schedule provides for full-time or part-time service with a regularly scheduled tour of duty.

OPM makes the final determination about whether the above categories apply to a specific employee or group of employees, after your employing office's initial decision and reconsideration.

CONCURRENT EMPLOYMENT

Eligibility

If you are legally serving in more than one position at the same time - whether in the same or in different agencies - you are eligible for life insurance coverage as long as at least one of your positions is not

excluded.

- ! You are not eligible to continue coverage when you have completed 12 months of nonpay status from the only position that entitled you to life insurance coverage.
- ! You are eligible to continue coverage when you have completed 12 months of nonpay status from the excluded position. At the end of the 12 months, the amount of coverage is no longer based on the combined salary, but only on the salary from the covered position.
- ! When you separate from the covered position, you are eligible to continue coverage in the excluded position, based on the salary in that position.
- ! If you take a temporary position while in nonpay status, your coverage is based on the higher salary. Your employing office will withhold premiums from salary in your temporary position. At the end of 12 months in nonpay status, your coverage will terminate.

Example

Liz is on leave without pay from her part-time position that conveys FEGLI coverage. She also holds a temporary appointment that is excluded from FEGLI coverage. Her 12 months of nonpay status are up on March 31, 2000. At that time, her life insurance coverage will end, subject to the 31-day extension of coverage and conversion privilege.

Amount of Insurance

The amount of Basic and Option B insurance depends on the *sum* of the annual pay for all of your positions, including the annual pay for a position excluded from life insurance coverage. The agency which pays the higher salary does the withholding and pays the Government contribution. Exception: if you are in nonpay status from one position, the agency that is still paying salary does the withholdings and pays the Government contribution.

Concurrent employment does not affect the amount of Option A or Option C coverage.

Multiple Rate Employee with Part-time Flexible Schedule Appointment

When you are a multiple rate employee who holds more than one appointment, with at least one of them being a part-time flexible schedule appointment in the Postal field service, the amount of Basic and Option B insurance is based on the *higher* (highest) of the pay rates.

INITIAL DECISION AND RECONSIDERATION

Initial Decision

Your employing office has the initial responsibility for determining whether you are eligible to elect or increase life insurance. This determination is an initial decision when your employing office gives it to you in writing and informs you of the right to an independent level of review (reconsideration) by the appropriate agency office.

Exception: The Office of Federal Employees' Group Life Insurance (OFEGLI) determines your

eligibility to cancel a waiver based on medical evidence of insurability and your eligibility for Living Benefits. There is no reconsideration right for these decisions.

Reconsideration Right

You have the right to ask your employing office to reconsider its initial decision denying life insurance coverage or the opportunity to change coverage. The reconsideration process applies only to enrollment issues. Your employing office cannot make decisions about payment of claims (the Office of Federal Employees' Group Life Insurance makes these decisions).

The reconsideration review determines if your employing office acted properly and in accordance with the law and regulations in its initial decision. Initial decisions that comply with law and regulations cannot be overturned by reconsideration.

Example

Cathy, who had waived Optional life insurance coverage, separates from service and is reemployed less than 180 days later. Upon her reemployment, she attempts to elect Option B. Her employing office denies the election. This initial decision cannot be overruled by reconsideration, because by regulation previous waivers remain in effect when an employee goes from one agency to another with a break in service of less than 180 days.

How to Request Reconsideration

If you wish to request a reconsideration of an initial decision, you must make your request in writing. The request must include:

- Your full name and address
- Your date of birth
- Your Social Security number
- The reason(s) for the request
- A copy of the written initial decision.

Time Limit

You must make the request for reconsideration within 30 calendar days from the date of the initial decision.

This time limit can be extended when you show that you were not notified of the time limit and were not otherwise aware of it or that you were unable, due to reasons beyond your control, to make the request within the time limit.

Who Does the Reconsideration?

Agencies are responsible for performing reconsiderations. A reconsideration must take place at or above the level at which the initial decision was made.

Final Decision

After reconsideration, your employing office must issue a final decision. This decision must be in writing and must fully state the findings.

Effective Date

When your employing office decides that you should have been allowed to enroll or change enrollment, it accepts a Life Insurance Election form (SF 2817) from you making the change.

Generally, changes made upon reconsideration are made prospectively. In some cases, the law or regulations provide for retroactive effective dates. In these cases, there is no need for your employing office to decide whether a retroactive effective date is appropriate.

In certain cases, your employing office may consider your request that the change be made retroactive to an earlier date, generally the date it would have been effective if you had been able to make a timely election.

CORRECTION OF ERRORS

Employing Office

Your employing office can correct administrative errors regarding coverage or changes in coverage at any time. When retroactive corrections are made, your employing office must determine whether the proper amount of life insurance deductions were made from your pay. It must submit any uncollected deductions and any applicable Government contributions to OPM for deposit in the Employees' Life Insurance Fund.

See "Errors Involving Current Employees - Underdeductions" for information on collection and waiver of deductions.

Exception: If the administrative error was made before January 1, 1995, your employing office does not have the authority to issue a reconsideration decision (unless the error was an underdeduction or overdeduction of premiums - your employing office has the authority to correct these errors). Instead, you must request reconsideration from OPM, Retirement and Insurance Service, Office of Insurance Programs, P.O. Box 707, Washington, DC 20044.

OPM

OPM can order correction of an administrative error after reviewing evidence that it would be against equity and good conscience not to do so. A request for review should be sent to OPM, Retirement and Insurance Service, Office of Insurance Programs, P.O. Box 707, Washington, DC 20044.

Incontestability

Incontestability is allowing erroneous coverage to remain in effect under certain conditions. Those conditions are:

- 1) the coverage must have been in effect for at least 2 years before the error is discovered, and
- 2) you must have paid the applicable premiums for the erroneous coverage while it was in effect.

Both conditions must be met for incontestability to apply.

If you don't want the erroneous coverage, you can cancel it. However, the cancellation is prospective. There is no refund of premiums.

Example

Dean, who had previously waived coverage, transfers from one agency to another without a break in service and is allowed to elect insurance at the new agency. This is an agency error. However, if at least two years pass before the error is discovered, and if Dean paid the applicable premiums during that time, this erroneous election must be allowed to stand.

Once your employing office or retirement system determines that your enrollment should be allowed to stand, it must prepare a note to the file explaining the details of the error, the date it occurred, the date it was discovered, and the fact that your enrollment is now valid due to incontestability.

Enrollments that are allowed to stand due to incontestability become valid enrollments. If you were enrolled in the FEGLI Program for at least the five years immediately prior to retirement (or for all opportunities to be enrolled), even if the enrollment was in error but was allowed to stand, you are entitled to carry the enrollment into retirement.

Upon your retirement, your employing office must forward the note explaining the details of the validated enrollment along with the Life Insurance Election form (SF 2817) to the retirement system. If there is no SF 2817, the employing office must provide an explanatory note to the file to be forwarded to the retirement system. The employing office should also provide a note in the "remarks" section of the Agency Certification of Insurance Status (SF 2821) explaining that incontestability was used to ratify an erroneous enrollment.