

# FEGLI Coverage in Retirement

## Requirements

You may continue your Basic life insurance coverage into retirement if:

- You retire on an immediate annuity (an annuity that begins within 30 days after separating from the Government)
- You have been continuously enrolled in Basic for the 5 years of service immediately preceding your retirement or if less than 5 years of service, you must have been enrolled for the full periods of service during which you were eligible to be insured
- You have not converted to an individual policy

You may continue any or all of your Optional life insurance into retirement if:

- You are eligible to continue Basic coverage as a retiree
- You have had each option in effect for at least the 5 years of service immediately preceding retirement or since your first opportunity to enroll. With respect to Option B and Option C, it is the lowest multiple in effect for the 5 years immediately preceding retirement.

## Basic Insurance Amount and Cost

The amount of your Basic insurance after retirement is based on your annual basic pay as of the date of your retirement, rounded up to the next higher \$1,000 (unless your annual rate of basic pay is currently an even thousand), plus an additional \$2,000. You cannot continue accidental death and dismemberment coverage into retirement.

At retirement, if you want to keep Basic life insurance as a retiree, you must decide how much Basic life insurance you want to remain in effect after age 65 by completing SF 2818, Continuation of Life Insurance Coverage. It is

available at the OPM website or from your Human Resources Office. You may choose to have Basic insurance reduce by 75%, 50%, or not at all. You must elect No Reduction if you previously elected a partial Living Benefit; you cannot change to the 75% reduction at a later date.

- If you elect the 75% reduction, the full amount of your Basic insurance remains in effect until age 65. At age 65, your Basic insurance decreases 2% a month until it reaches 25% of the amount you had at time of retirement. The 75% reduction costs \$.3467 per thousand per month until age 65; after 65, the coverage is free.
- If you elect the 50% reduction, the full amount of your Basic insurance remains in effect until age 65. At age 65, your Basic insurance decreases 1% a month until it reaches 50% of the amount you had at time of retirement. The 50% reduction costs \$1.0967 per thousand per month until age 65; after 65, you will pay \$.75 per thousand per month for life. You may drop to the 75% reduction any time after retirement.
- If you elect no reduction, the full amount of your Basic insurance remains in effect for life. This election will cost you \$2.5967 per thousand per month until age 65; after age 65, you will pay \$2.25 per thousand per month for life. You may drop to the 75% reduction any time after retirement.

## Option A (Standard) Amount and Cost

If eligible, Option A coverage and premiums continue automatically after you retire and you continue to pay the full cost of the insurance until age 65. At age 65, Option A premiums cease; however, the insurance begins to reduce at the rate of 2% per month until the amount

reaches \$2,500. The reduction starts at the beginning of the 2nd month after your 65th birthday or the beginning of the 2nd month after your retirement, whichever is later.

Accidental Death and Dismemberment coverage under Option A stops at retirement.

If you do not want to continue Option A coverage as a retiree, you may cancel the coverage on SF 2818, Continuation of Life Insurance Coverage, at retirement. It is available on the OPM website or from your Human Resources Office.

### **Option B (Additional) Amount and Cost**

At retirement, you may elect to have a "full reduction" or "no reduction" in Option B coverage. If you choose "full reduction", Option B coverage and premiums continue until age 65. Option B premiums stop at the beginning of the 2nd month after your 65th birthday or the beginning of the 2nd month after your retirement, whichever is later; however, the insurance begins to reduce at the rate of 2% per month for the next 50 months, at which time the coverage will end. The insurance stops at 12:00 noon on the day before the 50th reduction. Once the 50th reduction has occurred, no benefits are payable upon your death.

If you choose "no reduction", full Option B coverage and premiums continue for life. You may also make a "mixed election" for your Option B multiples, meaning that you can choose "no reduction" for some multiples and "full reduction" for other multiples. You are permitted only one election opportunity (at the time of retirement) to decide how your multiples may reduce beginning at age 65.

If you do not want to continue Option B coverage as a retiree (or you wish to reduce your coverage), you may cancel (or reduce) the coverage on SF 2818, Continuation of Life Insurance Coverage, at retirement. It is available at the OPM website or from your Human Resources Office.

### **Option C (Family) Amount and Cost**

At retirement, you may elect to have a "full reduction" or "no reduction" in Option C coverage. If you choose "full reduction", Option C coverage and premiums continue until age 65. At age 65, Option C premiums stop at the beginning of the 2nd month after your 65th birthday or the beginning of the 2nd month after your retirement, whichever is later. The insurance begins to reduce at the rate of 2% per month for the next 50 months, at which time the coverage will end. The insurance stops at 12:00 noon on the day before the 50th reduction. Once the 50th reduction has occurred, no benefits are payable upon the death of an eligible family member.

If you choose "no reduction", full Option C coverage and premiums continue for life. You may also make a "mixed election" for your Option C multiples, meaning that you can choose "no reduction" for some multiples and "full reduction" for other multiples. You are permitted only one election opportunity (at the time of retirement) to decide how your multiples may reduce beginning at age 65.

If you do not want to continue Option C coverage as a retiree, you may cancel the coverage on SF 2818, Continuation of Life Insurance Coverage, at retirement. It is available at the OPM website or from your Human Resources Office.