

FEGLI General Information

Overview

The Federal Employees Group Life Insurance (FEGLI) program provides group life insurance for eligible Federal employees. Coverage is voluntary and is intended to provide immediate protection against financial hardship or loss in the event of death. The Office of Personnel Management (OPM) has a contract with the Metropolitan Life Insurance Company (MetLife) to provide this life insurance. MetLife has an administrative office called the Office of Federal Employees' Group Life Insurance (OFEGLI). OFEGLI is the contractor that adjudicates claims under the FEGLI Program.

FEGLI is term insurance. The program offers Basic insurance and three Optional insurance coverages.

If eligible, you are automatically covered by Basic insurance unless you waive the coverage. The amount of Basic insurance you have is based on your annual rate of basic pay. The Government pays one-third of the cost of your Basic life insurance.

Following are examples of types of pay, which are included in annual rate of basic pay:

- Locality-based comparability payments
- Premium pay
- Night differential pay for wage employees
- Environmental differential pay for employees exposed to danger or physical hardship

Following are examples of types of pay, which are not included in annual rate of basic pay:

- Foreign post differential pay for wage employees
- Night differential pay and foreign or non-foreign post differential pay of GS and GM employees
- Bonuses, allowances, overtime, holiday and military pay

You must have the Basic insurance coverage before you choose any Optional coverage. Optional insurance must be elected and includes Option A (Standard), Option B (Additional), and Option C (Family). The Government does not contribute to the cost of Optional insurance.

Basic Insurance Coverage

Generally, the amount of Basic insurance is based on your annual rate of basic pay. The Basic insurance amount (BIA) equals your annual basic pay, rounded to the next higher \$1,000 (unless your annual rate of basic pay is currently an even thousand), plus \$2,000. For example if your basic pay is \$37,200, it would be rounded up to \$38,000 and then \$2,000 would be added for total Basic insurance of \$40,000. Unless you have elected Living Benefits, the amount of your Basic life insurance coverage automatically changes whenever your annual rate of basic pay increases or decreases by an amount which will raise or lower your basic pay to a different \$1,000 bracket. If you are under age 45, there is extra coverage provided at no additional cost to you. This Extra Benefit doubles the amount of Basic insurance payable if you are age 35 or younger. After age 35, the Extra Benefit decreases 10% a year until, at age 45, there is no Extra Benefit.

Basic insurance also carries accidental death and dismemberment coverage. Should you die accidentally, the BIA is doubled, although the Extra Benefit is not. For example, if a 30-year old employee's basic pay is \$47,281, his BIA would be \$50,000 (\$47,281, rounded to \$48,000 plus \$2,000), doubled to \$100,000 because of the Extra Benefit. If he dies accidentally, the amount of Basic insurance paid on his death would be \$150,000--the BIA doubled to \$100,000 due to accidental death plus \$50,000 for the Extra Benefit.

If you lose a limb (a hand or foot severed at or above the wrist or ankle joint) or an eye (the loss

in one or both eyes must be total and permanent), a dismemberment benefit of one-half of the BIA is paid to you. However, if you lose any two of these, the full BIA is payable to you.

The cost of the basic insurance is shared by the agency and you. The government pays one-third of the premium and the employee pays two-thirds. The cost to you is currently \$.16 (16 cents) per thousand dollars of insurance per biweekly pay period. The Extra Benefit is free.

If you are a part-time employee, your annual pay is your basic pay applied to your tour of duty in a 52-week work year.

Payment of Proceeds

If you are employed at the time of your death, your Human Resources Office normally notifies the Office of Federal Employees Group Life Insurance (OFEGLI). An HR counselor will contact your survivor(s). Survivor(s) will be provided with the form FE 6, Claim for Death Benefits. Once completed, each survivor must submit a separate claim form to OFEGLI for further processing.

Payment of life insurance benefits upon the death of an employee or retiree will be made under the Federal order of precedence, unless there is a court order in effect that would require payment to another person(s) and the Office of Personnel Management receives the court order before your death. A will or other similar instrument does not affect the order of payment. Payment is made to the person or persons who survive the insured under the following order:

- To the designated beneficiary (or beneficiaries) on a properly completed SF-2823;
- If none, to the widow(er);
- If none, to the child, or children in equal shares, with the share of any deceased child going to his or her children (a child includes a natural or adopted child, but not a stepchild);

- If none, to the parents in equal shares or the entire amount to the surviving parent (parent does not include a step-parent unless the participant has been adopted by the step-parent);
- If none, to the executor or administrator of the estate;
- If none, to the next of kin according to the laws of the State in which the insured individual legally resided.

In order for Accidental Death and Dismemberment benefits to be payable, death or dismemberment must occur within 90 days after the date of the accident.

Payment of death benefits to your beneficiary(ies) will be made either by check or through a money market account. For payments of less than \$5,000, the Office of Federal Employees Group Life Insurance (OFEGLI) will make payment by check. For payments of \$5,000 or more, OFEGLI will automatically open a money market account in the name of the payee(s) and will mail a checkbook to the payee(s). Insurance proceeds deposited into the account begin to earn interest from the date of the deposit.

OFEGLI will not make direct payment of life insurance proceeds to minor children. The FEGLI Program considers age 18 to be an adult unless the state in which the minor lives has established a lower age of adulthood.

The Office of Federal Employees Group Life Insurance has established a toll-free number for use by beneficiaries at 1-800-633-4542. The telephone number for overseas beneficiaries is 212-578-2975.

Options When Leaving Federal Service

If you separate from Federal service, or you are not eligible to continue your FEGLI coverage as a retiree, your group life insurance coverage terminates at the end of the day on which you separate. You then have a 31-day free extension of coverage during which you may convert your

Basic and/or Optional life insurance to an individual policy. This extension does not include Accidental Death and Dismemberment coverage.

Under the conversion privilege, you may purchase an individual policy from any eligible insurance company. The main advantage of a conversion policy is that no medical examination is required. The policy may be in an amount equal to or less than your life insurance coverage as an employee, including optional insurance. It may be in any form issued by the insurance company except term insurance, universal life insurance or any other type of life insurance with an indeterminate premium. It cannot include disability or accidental death or dismemberment benefits. Any insurance policy purchased under the conversion provision is a private business transaction between you and the insurance company. The cost is determined by the insurance company and is based on your age and class of risk.

To convert to an individual policy, you must send SF 2819, Notice of Conversion Privilege, and SF 2821, Agency Certification of Insurance Status, to the Office of Federal Employees' Group Life Insurance (OFEGLI) within 31 days of separation. The SF 2819 should be provided to you by your local Human Resources Office when you separate. The SF 2821 will be provided by your HR Office once it has been notified of your interest in exercising your conversion privilege.

Changing Elections by Furnishing Evidence of Insurability

If, as a new employee, you waived Basic insurance, you automatically waived Optional insurance. If you elected to keep Basic insurance, but did not elect a particular type of Optional insurance, you are considered to have waived it. If you elected fewer than 5 multiples of Option B or Option C coverage, you are considered to have waived the multiples not elected.

If you had FEGLI coverage and you cancel your Basic insurance, you automatically cancel all

forms of Optional insurance. Canceling Optional insurance has no effect on Basic insurance.

You can become insured by canceling your waiver/cancellation of Basic insurance if you meet both the following requirements:

- At least one year has passed since the effective date of your waiver, and
- You provide satisfactory medical evidence of insurability.

You may cancel your waiver of Option A and/or Option B and become insured if you meet the requirements for cancellation of a Basic insurance waiver.

If you want to cancel a waiver, you must complete the Request for Insurance form (SF 2822). You must sign the request portion and have your personal doctor complete the medical certificate. You are responsible for any fee charged for medical examination and certification. Your doctor must send the completed SF 2822 to the Office of Federal Employees' Group Life Insurance (OFEGLI), and OFEGLI must receive the form within 60 days of the date of the medical examination. OFEGLI will review the SF 2822 and return it to your HR Office either approving or denying coverage. You are allowed 60 days from the date of OFEGLI's approval to cancel your waiver of Option A and/or Option B.

If OFEGLI approves coverage, Basic insurance becomes automatically effective on the first day you actually enter on duty in pay status after the date of OFEGLI's approval. Your HR Office will inform you of OFEGLI's approval and you will cancel your waiver of Option A and/or Option B coverage within the allowed 60 days following the date of OFEGLI's approval. The effective date is the first day you actually enter on duty in pay status on or after your HR Office receives your election.

If you do not enter on duty in pay status within 60 days after the date of OFEGLI's approval, the

approval expires and you are not insured. You will then have to start the process over again.

You may obtain SF 2822 from the OPM's website or from your Human Resources Office.

Changing Elections Based on Life Events

An employee who experiences a FEGLI qualifying life event will have 60 days to elect Basic, plus any or all Optional insurance- Option A, Option B (up to the maximum of 5 multiples), and Option C (up to the maximum of 5 multiples). FEGLI qualifying life events include marriage, divorce, death of a spouse and acquisition of an eligible child.