

Federal Employees Health Benefits

Enrollment

As a Federal employee you are entitled to enroll yourself and any eligible family members in a health plan offered under the FEHB program, unless you're excluded from coverage by law or regulation. If you meet the requirements, you will be eligible to continue group coverage into retirement.

There are two types of enrollment: Self Only and Self and Family. Self and Family enrollment covers you, your spouse and your unmarried dependent children under age 22, it does not matter if they attend college or not. Your Stepchildren and foster children (including grandchildren, if they qualify as foster children) are included if they live with the employee in a regular parent-child relationship. Also, an unmarried dependent child age 22 or over who is incapable of self support because of a mental or physical incapacity which existed before age 22 may qualify for coverage under certain conditions.

For New Federal Employees you have 60 days after you begin work to elect FEHB coverage and to decide if you want to waive participation in premium conversion. Your enrollment begins on the first day of the pay period that begins after your human resources office receives your enrollment request and that follows a pay period during any part of which you were in a pay status. If you do not want to participate in premium conversion, you must give your waiver form to your human resource office at the same time you turn in your FEHB enrollment request.

Premiums

Each health plan carrier under the FEHB Program charges a different premium. The Government pays up to 75% of the cost of your health benefits coverage, and you pay the remainder, based on a formula set by law.

Opportunities to Change Coverage

During the Annual FEHB Open Season, you may enroll, cancel an enrollment, change plans or options, and waive or begin participation in premium conversion.

Open Season runs from the Monday of the second full workweek in November through Monday of the second full workweek in December.

Outside of Open Season you can make changes due to certain events, called qualifying life events(QLEs). The most common QLEs for changing enrollment

type or plan are: Marriage, acquiring a child, moving away from the area serviced by Health Maintenance Organization (HMO), or changing to work overseas.

If you waived participation in premium conversion, you can change from self-and-family enrollment to a self-only enrollment or cancel your enrollment at any time. You can make other changes during open season or due to certain events.

Temporary Employee Enrollment

Temporary employees can enroll in Health Insurance after completing one year of current continuous government service.

Change in Family Status

Change in family status, for example: marriage, birth or death of family member, adoption, legal separation, or divorce. You have 31 days before through 60 day after the event to change your enrollment. If you have self-only enrollment, you need to submit a SF-2809 Health Benefits Election Form to change to self-and family enrollment.

Temporary Continuation of Coverage(TCC)

Temporary Continuation of Coverage (TCC) is available to:

- (1) employees who lose their Federal Employees Health Benefits Program coverage because they leave their Federal jobs,
- (2) children who lose their Federal Employees Health Benefits Program family member status because they become age 22 or marry, and
- (3) former spouses who lose their Federal Employees Health Benefits Program family member status because of divorce or annulment.

Temporary continuation of Coverage allows former employees to continue their Federal Employees Health Benefits Program coverage for up to 18 months, and for family members (children and former spouses) to continue Federal Employees Health Benefits Program coverage for up to 36 months.

To enroll for Temporary Continuation of Coverage within 60 days from the qualifying event. TCC becomes effective the day after the qualifying event. After your 31 day extension of your group coverage ends, you pay the full premium (the enrollee and Government shares) plus a 2 percent administrative fee.

Premium Conversion

Premium conversion for federal employees enrolled in the FEHBP went into effect on the first pay period that began on or after October 1, 2000.

Federal employees can use pre-tax dollars to pay health insurance premiums to the Federal Employees Health Benefits Program under a new “Premium Conversion” program. Premium conversion uses Federal tax rules to let employees deduct their share of health insurance premiums from their taxable income, thereby reducing their taxes.

Premium conversions is a “pre-tax” arrangement, meaning that part of your salary that goes for health insurance premiums will become non-taxable. This means that you save on Federal income tax and FICA taxes (Social Security and Medicare taxes). In most cases, you will also save on State income tax and local income tax.

If you pay Social Security your premiums with pre-tax money reduces your earnings reported to the Social Security Administration. When you begin to collect Social Security (normally this occurs at age 65), you may receive a slightly lower Social Security benefit. In rare situations, it may be advantageous to pay full Social Security rather than the lower Social Security taxes you pay under premium conversion. These unusual cases do not involve employees covered by the old Civil Service Retirement System (CSRS). For CSRS-Offset plan your Social Security Benefits would be slightly reduced, but your CSRS Offset benefits would be increased by almost the same amount. Participating in premium conversion is most likely a benefit to you.

During the FEHB Open Season, you will have an opportunity to elect or waive your participation in premium conversion. An Open Season election to participate or waive participation in premium conversion must be received by your employing agency no later than the last day of the Open Season to be considered timely filed. The effective date of your election will be the same as the effective date of an FEHB enrollment election:

Federal Employees Life Insurance

Under FEGLI there is Basic life insurance and Optional insurance.

Your Basic Insurance Amount (BIA) is equal to the greater of
(a) your annual basic pay rounded up to the next \$1,000 plus \$2,000, or
(b) \$10,000.

Most Federal employees, they are automatically enrolled in Basic insurance unless they waive this coverage. Basic life insurance is effective on the first day you enter in a pay and duty status in an eligible position.

If you have Basic insurance, you may also elect Optional insurance. You must specifically elect the types of Optional insurance you wish to carry within 31 days

of becoming eligible. Optional insurance is effective on the first day you are in a pay and duty status on or after the day your human resources office receives your election.

Three Types of Optional Insurance

Option A (standard optional insurance)

Option B (additional optional insurance),

Option C (family optional insurance).

Option A is equal to \$10,000.

Option B is equal to one, two, three, four, five times your annual basic pay (after rounding up to the next \$1,000).

Option C provides coverage for your spouse and eligible children. You may elect one, two, three, four or five multiples of coverage. Each multiple is equal to \$5,000 (\$25,000 maximum) for your spouse and \$2,500 (12,500 maximum) for each of your eligible dependent children.

As part of your Basic Life Insurance, employees who are under age 45 get an Extra Benefit at no additional cost. The Extra Benefit doubles the amount of the life insurance payable if you are age 35 or younger. Beginning on your 36th birthday, the Extra Benefit decreases 10% each year until, at age 45, there is no Extra Benefit.

How To Make An Election

You must complete a Life Insurance Election (SF-2817) to waive insurance or to elect Optional insurance. If you do not complete an election form, you are automatically enrolled in Basic only.

How Much Do I Pay For My FEGLI Coverage?

The cost of Basic insurance is shared between you and the Government. You pay two-thirds and the Government pays one-third. Your age does not affect the cost of Basic Insurance. You pay \$0.1550 per \$1,000 biweekly or \$0.3358 monthly.

You pay the full cost of all Optional insurance. The cost depends on your age and the amount of insurance you have.

As My Salary Goes Up, Does My FEGLI Amount Go Up Automatically?

The amount of FEGLI automatically increases when your salary goes up, whenever your annual pay is increased by an amount sufficient to raise the pay to the next \$1,000 bracket.

There is no maximum amount of Basic insurance that you can have. The amount is based on your annual basic rate of pay.

Borrowing Money Against Policy and Receive Money Now

The FEGLI Program provides group term insurance. It does not have any cash value and you cannot borrow against your coverage. The only opportunities to get money from your coverage while you are still alive are (1) if you are terminally ill and qualifying for Living Benefits, or (2) if you are terminally or chronically ill and assign your coverage to a viatical settlement firm.

What Happens If I Die In An Automobile Accident Or If I Lose an Eye Or An Arm As a Result Of An Accident?

In the Event of a fatal accident or an accident that results in the loss of a limb or eyesight, FEGLI includes Accidental Death and Dismemberment (AD&D). For the Office of Federal Employees' Group Life Insurance to pay benefits, the death or loss must occur within 90 days after the accident and be a direct result of bodily injury sustained from the accident.

AD&D insurance is automatically included in Basic at no extra cost. It is equal to the amount of your Basic insurance. It is also automatically included in Option A at no extra cost and it is equal to \$10,000.

Where To Get More Information On FEGLI Program

To get more information on FEGLI Program, you can read the FEGLI Program Booklet (RI 76-21 for Federal Employees) and the FEGLI Handbook. Both of these are available on the FEGLI website at www.opm.gov/insure/life.

FAMILY MEMBERS

The definition of an eligible family member for Option C

Eligible family members for Option C, Family coverage include a spouse and eligible dependent children. Eligible dependent children must be unmarried and under age 22, or if age 22 or over, incapable of self-support because of a mental or physical disability that existed before the child reached age 22.

Eligible dependent children include your natural children, adopted children, stepchildren (if they live with you in a regular parent-child relationship), recognized natural children and foster children (if they live with you in a regular parent-child relationship). Stillborn children are not covered.

Your minor grandchild is covered under Option C if you have legally adopted your grandchild or if your grandchild meets the definition of a foster child. To qualify as a foster child, the child must live with you in a regular parent-child relationship and you must expect to raise the child to adulthood.

If you have family coverage (five multiples), as each family member reaches age 22 the number of multiples you carry under Option C is not linked to the number of eligible family members you have. You may elect one, two, three four, or five multiples of coverage regardless of how many eligible family members you have. Each multiple is equal to \$5,000 for your spouse and \$2,500 for each of your eligible dependent children.

You may notify the Human Resource Office for change on Option C when you no longer have any eligible family members and you wish to cancel the Option C coverage. The cancellation is effective the end of the pay period in which you no longer had any eligible family members.

Enrolling And Changing Your Life Insurance Coverage

You don't have to wait until Open Season to enroll in the Life Insurance. You can always request a Standard Form 2822 (Request for Insurance) from your Human Resource Office or from the FEGLI Web site and obtain a physical. If the Office of Federal Employees' Group Life Insurance (OFEGLI) approves your request, you are automatically enrolled in Basic. If you want Optional insurance as well as Basic, you can enroll in Option A and/or Option B within 31 days from the date of OFEGLI's approval. You cannot enroll in Option C by getting a physical.

Also, you may enroll in Option B and/or Option C or increase your current Option B and/or Option C coverage upon marriage, divorce, death of spouse or acquisition of eligible children, within 60 days after the life event. You cannot enroll in Basic or Option A due to a life event.

Enrolling Or Increasing Coverage By Getting A Physical

If at least one year has passed since the effective date of your last waiver of life insurance coverage, you may get a physical exam at your own expense using the Request for Life Insurance (SF2822). You and your Human Resource Office must complete part of the form. You then take the form to your physician. Your Physician will then complete the rest of the form and send it to the Office of Federal Employees' Group Life Insurance (OFEGLI). If OFEGLI approves your request, they will notify your Human Resource Office. Your Human Resource Office will automatically enroll you in Basic insurance, unless you already have Basic. You will have 31 days to elect Option A and/or Option B or increase your Option B multiples.

Your enrollment in Basic will be effective on the first day you are at work on or after the date OFEGLI approves your request. Your enrollment in Option A and/or Option B will be effective on the first day you are at work on or after the date OFEGLI approves your request and your Human Resources Office receives your Life Insurance Election electing such coverage.

Break in Service or Non-Pay Status

When you return to work after a break in service of less than 180 days, your Human Resource office will automatically enroll you in the same coverage that you have before you left your prior position.

When you return to work after a break in service of 180 days or more, your Human Resource Office will automatically enroll you in Basic and the same Optional Insurance that you had in your prior position. You may elect more insurance (if you don't already have the maximum) within 31 days of your appointment to an eligible position.

If you go into Leave Without Pay Status your life insurance coverage continues for up to 12 months in a LWOP or non-pay status. You do not pay any premiums while you are on LWOP unless you are receiving benefits from the Department of Labor, Office of Workers' Compensation Programs.

The life insurance ends at the end of the 12 months with a 31-day extension of coverage and a right to convert to an individual policy.

Termination and Conversion

A conversion policy is an individual (non-group) life insurance policy that you are entitled to when your group life insurance ends, unless it ended because you voluntarily cancelled it.

Under the conversion privilege, you may convert all or any part of your Basic and Optional Insurance to an individual policy. No medical examination is required.

The individual policy will be a cash-value type of life insurance policy. This means it will build cash value that you can borrow against. You cannot convert to term insurance

Your employing office must give you a notice of loss of group coverage and the right to convert whenever your insurance terminates under conditions that allow you to convert to an individual policy. The form used for this purpose is the Notice of Conversion Privilege (SF-2819)

When you receive your SF-2819 that means you are eligible to convert your insurance, but you don't need to – the choice is yours. If you qualify to carry your coverage into retirement, you may want to do that and not convert. Just because you receive an SF-2819 does not mean that you do not qualify to carry your coverage into retirement. All employees whose current coverage as an employee is terminating (other than by voluntary cancellation) receive a copy of that form – whether or not they qualify to carry coverage into retirement.

If your agency does not give you a SF-2819 you can request a conversion by writing directly to OFEGLI at PO Box 2627 Jersey City, NJ 07303-2627.

When you are ready to convert your coverage, you may request a list of eligible insurance companies from OFEGLI.

Living Benefits

A Living Benefit payment is a lump sum payment to those who are terminally ill and have a documented medical prognosis showing a life expectancy of no more than nine months. You are eligible to elect a Living Benefit if you are an employee, annuitant, or compensationner and you are enrolled in the FEGLI Program.

Employees can choose a full or partial (a multiple of \$1,000) Living Benefit. Annuitants and compensationners can elect only a full Living Benefit.

A Living Benefit is equal to the Basic Life insurance amount, plus any extra benefit for persons under age 45, that would be in effective nine months after the date OFEGLI receives a completed claim for Living Benefit Form.

If you have assigned your life insurance, you cannot elect a Living Benefit.

Living Benefit payments are reduced by a nominal amount (4.9%) to make up for lost earnings to the Life Insurance Fund because of the early payment of benefits.

The election of Living Benefits has no effect on the amount of any Option life insurance. You will continue to pay premiums for any Optional insurance you have.

You must contact OFEGLI at 1-800-633-4542 to obtain the form to elect Living Benefits (Form FE-8). This form is not available from your Human Resource Office.

If you do not die within 9 months and you received a payment of Living Benefits, that money is yours to use as you please. You do not have to return the money if you live longer than expected.

If you elect Living Benefits you stop paying premiums and the Government no longer pays its contributions for your Basic Life coverage.

If you elect a partial Living Benefit, your agency will adjust the withholdings and contributions for your post-election Basic Insurance Amount.

Assignments

“Assignment” means that you give ownership and control of your Basic, Option A, and/or Option B life insurance coverage to someone else. This means that the money goes to the assignee, or the assignee’s beneficiary(ies) when you die.

You may assign your life insurance coverage to an individual, corporation, or an irrevocable trust. Your decision to assign your life insurance coverage is irrevocable; you cannot cancel your assignment if you change your mind. You cannot assign option C.

Designations of Beneficiary

You don't have to complete a Designation of Beneficiary form (SF-2823) You may however, decide you want to complete one after you understand how the office of Federal Employees' Group Life Insurance (OFEGLI) pays life insurance benefits.

When you die, OFEGLI will pay life insurance in a particular order, set by law:

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).

If you did not assign ownership and there is a valid court order on file, OFEGLI will pay benefits in accordance with that court order.
If you did not assign ownership and there is no valid court order on file, OFEGLI will pay benefits in the following order of precedence:

First, to the beneficiary(ies) you designated:

Second, if there is no such beneficiary, to your widow or widower;

Third, if none of the above, to your child or children, with the share of any deceased child distributed among decendants of that child (a court will usually have to appoint a guardian to receive payment for a minor child);

Fourth, if none of the above, to your parents in equal shares or the entire amount to your surviving parent;

Fifth, if none of the above, to the executor or administrator of your estate;

Sixth, if none of the above to your next of kin as determined under the laws of the State where you lived.

If you did not assign your insurance and there isn't a valid court order on file, and you are not satisfied with this order or precedence, you should complete a designation form and indicate how you want OFEGLI to pay the benefits.

How To File A Claim For FEGLI Benefits

You can get the form from the employee's agency or from the retirement system if the deceased was retired. You can also get the form on the FEGLI website (www.opm.gov/insure/life). Mail it directly to:
Office of Federal Employees' Group Life Insurance
PO Box 2627 Jersey City, NJ 07303-2627.