

## Designations of Beneficiary

1. Do I have to complete a Designation of Beneficiary form (SF 2823)?
2. How do I complete my SF 2823, Designation of Beneficiary form?
3. What do I do if there is not enough space on the SF 2823?
4. I completed a SF 2823 last year. Now I want my life insurance proceeds to be paid according to the order of precedence. What should I do?
5. What does it mean if someone entitled to life insurance benefits "disclaims" them?
6. Can I put a disclaimer in my designation of beneficiary?
7. What is a per stirpes designation? Can I use one?
8. Where do I send my completed Designation of Beneficiary form?
9. What if I die on a Sunday and I mailed my completed Designation of Beneficiary form the day before, Saturday? Will the Office of Federal Employees' Group Life Insurance (OFEGLI) pay the benefits according to my new designation?
10. Can a Power of Attorney sign the SF 2823 Designation of Beneficiary form?
11. When should I file a new Designation of Beneficiary form?
12. If my child is not yet of legal age, do I have to appoint a legal guardian if my child is my beneficiary?
13. What does it mean to reach the legal age?

### Do I have to complete a Designation of Beneficiary form (SF 2823)?

No, you do not have to complete a designation form. 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 benefits 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 descendants 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;

## FEGLI Frequently Asked Questions for Employees

Sixth, if none of the above, to your other 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 of precedence, you should complete a designation form and indicate how you want OFEGLI to pay the benefits.

### **How do I complete my SF 2823, Designation of Beneficiary form?**

You can find instructions on how to complete the SF 2823 *Designation of Beneficiary* form on the reverse side of the form. If you need help, you can contact your human resources office.

### **What do I do if there is not enough space on the SF 2823?**

Continue on another sheet of paper. Be sure to put your name and social security number on the additional sheet. You should also sign the additional sheet and have it witnessed in case the sheet is separated from the SF 2823.

### **I completed a SF 2823 last year. Now I want my life insurance proceeds to be paid according to the order of precedence. What should I do?**

If you have a prior Designation of Beneficiary on file, and now wish for benefits to be paid in accordance with the order of precedence, file a new SF 2823 and state "Cancel Prior Designations".

### **What does it mean if someone entitled to life insurance benefits "disclaims" them?**

This means that the person (a designated beneficiary or person entitled under the order of precedence) advised OFEGLI, in writing, that he/she does not want the money he/she is entitled to receive. A disclaimer by default means that the person doesn't ever file a claim form to claim the benefits.

If someone entitled to benefits disclaims them, he/she cannot tell OFEGLI who should get the disclaimed benefits. Rather, OFEGLI must treat those benefits as if the person disclaiming had died before the Insured. If the person disclaiming was a designated beneficiary, OFEGLI would pay the disclaimed share equally to the remaining beneficiaries. If there are no remaining beneficiaries or the person disclaiming was not a designated beneficiary, OFEGLI will pay the proceeds according to the next step in the order of precedence.

Perhaps a few examples will help.

*Mary designated John and Susan for 50% each. Mary dies. John disclaims his share . It does not matter that John wanted his mother, Laura, to receive the benefits. OFEGLI will pay 100% to Susan.*

Here's another example.

*Raul is single, childless, and did not designate a beneficiary. Raul dies. His parents are entitled to the benefits based on the order of precedence. His father disclaims his share of the benefits. OFEGLI will pay 100% to his mother.*

And here's a final example.

*Cyndi is married with one child. She did not designate a beneficiary. Cyndi dies. Her husband is entitled to the benefits based on the order of precedence. He disclaims the benefits. OFEGLI moves to the next step in the order of precedence and pays 100% to Cyndi's child.*

### **Can I put a disclaimer in my designation of beneficiary?**

Yes, and this works differently than when a survivor disclaims benefits. You can name someone as a beneficiary and someone else if that first person disclaims the benefits. It's a form of contingent beneficiary. As the insured, you CAN specify who should receive the disclaimed benefits (the beneficiary cannot specify who should receive disclaimed benefits).

For example, you could word your designation like this:

**Mary Jones, 100%, unless she disclaims.  
Otherwise to Johnson Wallace, 100%.**

### **What is a *per stirpes* designation? Can I use one?**

A *per stirpes* designation means that if a named beneficiary dies before the Insured dies, the children of the named beneficiary are entitled to the benefits, or the grandchildren of the named beneficiary if the children aren't alive, or the great-grandchildren of the named beneficiary if the grandchildren aren't alive, etc.

Designations using *per stirpes* designations are unacceptable. You may want to consider a designation like this, instead:

**Hector Gonzales, my son, 100%, if living  
Otherwise to the estate of Hector Gonzales**

You could then specify the *per stirpes* terms in your will. If Hector is not living when you die, OFEGLI will pay your estate. The estate will follow the terms of the will which include the *per stirpes* terms.

### **Where do I send my completed Designation of Beneficiary form?**

It depends. Active employees must file the form with their human resources office.

## FEGLI Frequently Asked Questions for Employees

If you receive benefits from the Department of Labor, Office of Workers Compensation Programs **and** you've been receiving these benefits for less than 12 months **and** you are still on the agency's rolls as an employee, you also must file the form with the human resources office.

If you are a retired employee, you must file the form with the Office of Personnel Management (OPM).

If you are on compensation and are separated from your agency or have been receiving compensation for 12 months or more, you must file the form with the Office of Personnel Management, Retirement Operations Center, Validation Section, Boyers, PA 16017.

The appropriate office must receive the Designation of Beneficiary form before your death in order for the Office of Federal Employees' Group Life Insurance (OFEGLI) to pay the benefits. If you do not file it with the proper office, OFEGLI will pay benefits in accordance with the next prior designation on file or under the order of precedence starting with the widow or widower, if there is no designation.

**What if I die on a Sunday and I mailed my completed Designation of Beneficiary form the day before, Saturday? Will the Office of Federal Employees' Group Life Insurance (OFEGLI) pay the benefits according to my new designation?**

Your employing office or the Office of Personnel Management, if applicable, must **receive** your Designation of Beneficiary before you die for your Designation to be valid. A Designation delivered on a weekend or Federal holiday is not "received," and is not valid, until the next workday. If you die before your employing office receives the new Designation of Beneficiary, the Office of Federal Employees' Group Life Insurance will pay benefits in accordance with the next prior Designation on file or under the order of precedence starting with the widow or widower, if there is no designation.

**Can a Power of Attorney sign the SF 2823 Designation of Beneficiary form?**

No. Someone with a power of attorney cannot sign a Designation of Beneficiary form on behalf of an insured federal employee or annuitant.

**When should I file a new Designation of Beneficiary form?**

You may want to consider completing a new designation form whenever you have a significant change in your life, such as a marriage, divorce, or death. Be sure it remains accurate and reflects your intentions. You should also file a new designation whenever a beneficiary's address changes. Failure to do so may mean that the Office of Federal Employees' Group Life Insurance cannot locate your beneficiary and therefore cannot pay him or her the death benefits.

## FEGLI Frequently Asked Questions for Employees

### **If my child is not yet of legal age, do I have to appoint a legal guardian if my child is my beneficiary?**

You should consult an attorney concerning such legal issues as appointing a guardian for your minor child. If you should die while your child is still a minor and he/she is entitled to your life insurance benefits, the Office of Federal Employees' Group Life Insurance (OFEGLI) will not pay benefits to your minor child.

If the benefits payable are \$10,000 or less, OFEGLI may pay the benefits to a surviving parent when the parent assures OFEGLI, in writing, that he/she will use the funds for the sole benefit of the child.

If benefits exceed \$10,000, payment depends on whether the State where the child lives requires a guardian.

If the State requires a guardian, a court-appointed guardian can file a claim for death benefits on behalf of your minor child. In those cases, guardianship must be established before payment can be made. Natural parentage is not automatic guardianship. The guardian must have the authority granted by the court to collect money on behalf of the child. OFEGLI would then make payment to the guardian who would have to answer to the court regarding how/when he/she spent the money, depending on the details of the guardianship granted by the court.

In those States that do not require the court appointment of a guardian, OFEGLI will pay the benefits to the person responsible for the care of the child when he/she assures OFEGLI, in writing, that he/she will use the funds for the sole benefit of the child.

If there is not a guardian and one won't be appointed and the State requires one and the proceeds are greater than \$10,000, OFEGLI will open an interest-bearing account payable to the minor upon reaching the legal age.

### **What does it mean to reach the legal age?**

The legal age or age of adulthood for the FEGLI Program is 18, unless the state in which the minor lives has established a lower age of adulthood. In that case, the legal age is the lower age.