

## General Information

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### What kind of coverage can I get under FEGLI?

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.

If you have Basic insurance, you have your choice of three types of Optional insurance: Option A (standard optional insurance), Option B (additional optional insurance), and Option C (family optional insurance). Option A is equal to \$10,000. Option B is equal to one, two, three, four or 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.

### I am a new Federal employee. How do I get coverage under FEGLI?

Most Federal employees are automatically enrolled in Basic insurance unless they waive this coverage. Basic 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.

## FEGLI Frequently Asked Questions

**A co-worker told me there is an Extra Benefit under FEGLI. If this is true, what is it?**

Yes, it is true. As part of the 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 do I make my 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 \$0.1500 per \$1,000 biweekly or \$0.3250 monthly. If you are a Postal employee, the U.S. Postal Service pays the entire cost of your Basic life Insurance.

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

Your agency will withhold the premiums from your pay.

**What if my salary is too low to cover the cost of my insurance?**

If your pay is too low to allow a withholding for life insurance premiums and your human resources office expects this condition to last for more than six months, you will have a choice. You can choose either to terminate some or all of your insurance coverage or to continue the coverage and pay the premiums directly. (See your human resources office for more details).

**How much life insurance coverage do I have?**

You can look on a copy of your most recent Standard Form 50, Notice of Personnel Action, to determine the coverage you currently have. On that form, in block 27, there is a 2-character code that represents your current coverage and a definition of the code. For example, if block 27 shows "CO -Basic only", that means you have Basic life only with no optional coverage. You can look up the codes in the FEGLI Handbook, the SF50s Equivalents of Insurance Codes chapter <http://www.opm.gov/insure/life/handbook/sf50tbl.htm>

If you have any questions, you should check with your human resources office to verify your coverage. The Office of Personnel Management cannot verify your coverage, nor can the Office of Federal Employees' Group Life Insurance.

## FEGLI Frequently Asked Questions

### **As my salary goes up, does my FEGLI amount go up automatically?**

Yes. The amount of your 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.

### **Is there a maximum amount of Basic insurance that I can have?**

No. There is no maximum. The amount is based on your annual basic rate of pay.

### **Can I borrow against my policy and receive money now?**

No. 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 qualify 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 employees. AD&D coverage cannot be carried into retirement. AD&D benefits are paid in addition to regular death benefits.

For the Office of Federal Employees' Group Life Insurance to pay benefits, the death or loss must occur within one year after the accident and be a direct result of bodily injury sustained from that 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 can I get more information on the FEGLI Program?**

To get more information on the FEGLI Program, you can read the FEGLI Program Booklet (RI 76-21 for Federal Employees, RI 76-20 for Postal employees) and the FEGLI Handbook. Both of these are available on the FEGLI Web Site at <http://www.opm.gov/insure/life>. The Booklet is also available at your human resources office where you can ask questions about your individual situation.

## Living Benefits

1. What do I need to know about Living Benefits?
2. If I elect a Living Benefit and do not die within 9 months, do I have to return the money?
3. If I receive a partial Living Benefit and then my salary increases, does my remaining Basic Insurance Amount increase?
4. Is there a penalty charge if I elect Living Benefits?
5. If I elect Living Benefits, what happens to my Optional insurance?
6. If I elect a Living Benefit, do I have to continue to pay for my Basic FEGLI life insurance benefits?
7. Can a Power of Attorney, guardian or spouse sign a Living Benefits application?

### What do I need to know about 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 effect nine months after the date of the Office of Federal Employees' Group Life Insurance (OFEGLI) receives a completed claim for Living Benefits 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 Optional 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 resources office or the Office of Personnel Management (OPM).

**If I elect a Living Benefit and do not die within 9 months, do I have to return the money?**

## FEGLI Frequently Asked Questions

No. If you receive 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 I receive a partial Living Benefit and then my salary increases, does my remaining Basic Insurance Amount increase?**

No. When you receive a partial Living Benefit, the amount of your remaining Basic insurance is frozen. It does not increase due to a salary increase, nor does it decrease due to a salary reduction. If you receive a full Living Benefit, your remaining Basic Insurance Amount equals zero, and this also is unchanged due to changes in salary.

### **Is there a penalty charge if I elect Living Benefits?**

Your Living Benefits payment will be reduced by a nominal amount to make up for lost earnings of the Life Insurance Fund because of early payment of benefits. This nominal amount is called an actuarial reduction and it is 4.9%.

Here is an example:

*Samantha's Basic Insurance Amount is \$59,000. She wants to elect a Full Living Benefit. She is 50 years old so there is no Extra Benefit. If approved, the Office of Federal Employees' Group Life Insurance would pay Samantha \$56,109.00 (\$59,000 less 4.9% or \$2,891).*

### **If I elect Living Benefits, what happens to my Optional insurance?**

Only Basic insurance is available for a Living Benefit. The Office of Federal Employees' Group Life Insurance cannot pay Optional insurance as a Living Benefit.

A Living Benefit election has no effect on your Optional insurance. Your Optional insurance will not change and you will continue to pay your Optional insurance premiums.

### **If I elect a Living Benefit, do I have to continue to pay for my Basic FEGLI life insurance benefits?**

If you elect a full Living Benefit, 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.

The amount of the post-election Basic does not change. Subsequent salary changes have no effect on the Basic amount. However, if you have Option B coverage, it will continue to change with salary changes. A Living Benefit election has no effect on your any Optional insurance you may have.