



Guide for Retiring Employees FEGLI in Retirement

What is FEGLI?

The Federal Employees' Group Life Insurance (FEGLI) program provides group term life insurance for Federal employees and annuitants. FEGLI offers two types of life insurance coverage – Basic and Optional. Basic life insurance coverage is the minimum amount of FEGLI coverage available. Employees and annuitants must keep Basic life insurance to be enrolled in any Optional life insurance.

For more information, check out the [FEGLI Program Booklet for Federal Employees \(FE 76-21\)](#).

Am I able to keep my FEGLI coverage in retirement?

You are eligible to continue your FEGLI coverage into retirement if you meet all of the following requirements:

1. You are retiring on an [immediate annuity](#) under a retirement system for civilian employees;
2. You are enrolled in FEGLI on the date of retirement;
3. You have been continuously enrolled in life insurance coverage for the –
 - a. 5 years of service immediately before retirement, or
 - b. If less than 5 years, for all periods of service you were eligible to be enrolled in life insurance coverage; **and**
4. You have not converted your FEGLI coverage to an individual private policy.

If you meet the above eligibility requirements, you will be able to continue each life insurance coverage option (Basic, Option A, Option B, Option C) and the number of multiples (under Option B and Option C) that you have maintained for the 5 years of service immediately before retirement or for all periods of service you were eligible to be enrolled in life insurance coverage, if less than 5 years. Please note, you **must** elect to continue your Basic life insurance coverage before you can elect to continue your Option A, Option B, and Option C coverage.

What are my FEGLI coverage options in retirement?

If you meet the eligibility requirements to continue your FEGLI coverage into retirement, you will have several choices to make about your life insurance coverage.

- You will need to decide if you want to continue each life insurance coverage option into retirement. However, you **must** continue your Basic life insurance coverage before you can choose to continue your Option A, Option B, and Option C coverage; **and**
- You must decide how you want the coverage to reduce starting at age 65 (or at retirement if you are over age 65).

It is important to examine your life insurance needs and the cost of coverage when making your life insurance election at retirement. After you receive your first regular annuity payment, you are restricted in what changes you can make to your life insurance coverage.

If you are eligible to continue FEGLI coverage into retirement and you do not make an election, then OPM will apply the default coverage for continuing your FEGLI coverage. The default life insurance as an annuitant is to continue all coverage you are eligible to retain with the maximum reduction option available for each type of coverage.

How much will my FEGLI coverage cost?

The [cost of FEGLI coverage as an employee](#) is based on the amount of coverage elected, your salary, and your age. FEGLI premiums increase when your salary increases and, for Optional insurance, as you get older.

The [FEGLI premiums for annuitants](#) is based on the amount of coverage you continue, your final salary, your age, and the reduction option you elect at retirement. There is an extra premium you must pay for certain Basic life insurance reduction options.

A [FEGLI Calculator](#) is available on the OPM website to help you determine your coverage amount and insurance premium costs as an employee and as an annuitant.

What are my FEGLI coverage reduction options?

You can choose how your life insurance coverage will reduce when you reach age 65. Each coverage reduction option will impact how much you pay for coverage as an annuitant.

All coverage reductions begin the second month after your 65th birthday **or** if you are over age 65 at the time of retirement, then reductions begin the second month after your retirement date.

If you are continuing Option B or Option C coverage into retirement, you have the flexibility to choose the number of multiples for each reduction option – Full Reduction or No Reduction. You may only continue the total number of multiples for Option B and Option C that you are eligible to continue based on the eligibility requirements above.

The following table details the Basic and Optional life insurance reduction options.

| Insurance | Reduction Option | Reduction Starting at Age 65 | Cost (Insurance Premium) |
|------------------------------|--|---|---|
| Basic | 75% Reduction | <p>Coverage amount reduces by 2% per month until only 25% of the original coverage amount remains.</p> <p><i>Example: \$80,000 of coverage at retirement will decrease by 2% per month until it reaches \$20,000.</i></p> | <p>Prior to age 65, the regular Basic premium is withheld.</p> <p>At age 65, coverage is free (premium deduction stops).</p> |
| | 50% Reduction | <p>Coverage amount reduces by 1% per month until 50% of the original coverage amount remains.</p> <p><i>Example: \$80,000 of coverage at retirement will decrease by 1% per month until it reaches \$40,000.</i></p> | <p>Prior to age 65, an extra premium is added to the regular Basic premium, and both are withheld.</p> <p>At age 65, the regular Basic premium stops, and the extra premium continues being withheld.</p> |
| | No Reduction | <p>Coverage amount remains the same. The amount will not reduce.</p> <p><i>Example: \$80,000 of coverage at retirement continues to be \$80,000.</i></p> | <p>Prior to age 65, an extra premium is added to the regular Basic premium, and both are withheld.</p> <p>At age 65, the regular Basic premium stops, and the extra premium continues being withheld.</p> |
| Option A | 75% Reduction (Automatic – no election option) | Coverage amount reduces by 2% per month until only \$2,500 (or 25%) remains. | <p>Prior to age 65, premium is withheld.</p> <p>At age 65, coverage is free (premium deduction stops).</p> |
| Option B and Option C | Full Reduction | <p>Coverage amount reduces by 2% per month for Full Reduction multiples until it reaches \$0.</p> <p><i>Example: \$25,000 of coverage at retirement will decrease by 2% per month until it reaches \$0.</i></p> | <p>Prior to age 65, premium is withheld based on age and number of Full Reduction multiples.</p> <p>At age 65, premium deduction stops for Full Reduction multiples.</p> |
| | No Reduction | <p>Coverage amount remains the same for No Reduction multiples.</p> <p><i>Example: \$25,000 of coverage at retirement continues to be \$25,000.</i></p> | Premium is withheld based on your age and number of No Reduction multiples. |

Where can I go to find out my current FEGLI coverage as an employee?

To confirm your previous and current FEGLI coverage, you will want to:

- Access your electronic Official Personnel Folder (eOPF) to review your SF 2817s, *Life Insurance Elections*, or box 27 of your SF 50s, *Notification of Personnel Actions*, or
- Contact your agency's Human Resources Office for assistance.

What form do I need to complete to make a FEGLI election at retirement?

If you are enrolled in FEGLI coverage when you retire from Federal service, you will need to complete the [SF 2818, Continuation of Life Insurance Coverage As An Annuitant or Compensationer](#).

Before filling out the SF 2818, make sure you are following the below guidance:

- **This form cannot have any mistakes** – this includes scratch-outs, cross-outs, white-outs, overwritten numbers or letters, and digital editing. If you make a mistake or an error, please fill out a new form.
- **Make sure to mark the appropriate response in each section.**
- **If you are continuing Option B or Option C coverage into retirement** – make sure to enter the correct number of Full Reduction and No Reduction multiples for Option B (item 11) and Option C (item 13). **Do not leave a reduction line blank.**

How do I cancel all my FEGLI coverage at retirement?

If you want to cancel all of your life insurance when you retire, you will need to complete the [SF 2818, Continuation of Life Insurance Coverage As An Annuitant or Compensationer](#), and mark the following boxes:

- **Item 7** – mark “No” about continuing your Basic Life insurance, **and**
- **Item 14** - sign and date.

Do not complete a SF 2817, *Life Insurance Election*, to cancel your life insurance coverage.

If you cancel your life insurance coverage in retirement, you will not be able to later reenroll.

Where Can I Find Additional Resources?

For more information about the FEGLI program, please visit [OPM's Life Insurance](#) page.