



United States
Office of Personnel Management
Retirement and Insurance Service

Benefits Administration Letter

Number: 99-205

Date: February 10, 1999

Subject: Federal Employees' Group Life Insurance: FEGLI 99 Open Enrollment Period

GENERAL INFORMATION

Background

Pub. L. 105-311, Federal Employees Life Insurance Improvement Act, enacted October 30, 1998, made numerous changes to the Federal Employees' Group Life Insurance (FEGLI) Program. Because of these changes, the law requires the Office of Personnel Management (OPM) to hold an open season.

The FEGLI 99 open enrollment period will be held from April 24, 1999, through June 30, 1999.

Purpose

The purpose of this Benefits Administration Letter (BAL) is to provide detailed guidance regarding the conduct of the upcoming open enrollment period.

FEGLI 99 OPEN ENROLLMENT PERIOD

Open Enrollment Material

BAL 99-201, dated January 12, 1999, contained information on the various materials that will be available for FEGLI 99 and gave ordering instructions. ***Please remember that no material will be sent automatically.*** Agency headquarters Insurance Officers must order all material directly from the Office of Federal Employees' Group Life Insurance (OFEGLI); OFEGLI will not accept

Civil Service
Retirement
System

Federal Employees
Group Life
Insurance

Federal Employees
Health Benefits
Program

Federal Employees
Retirement
System

telephone orders or orders from anyone other than agency headquarters Insurance Officers.

What Material Must Employees Receive?

Agencies must give each employee a copy of the revised - April 1999 - FEGLI Booklet (RI 76-21 [RI 76-20 for the Postal Service]). Each employee must also receive a copy of the FEGLI 99 Open Enrollment Period Pamphlet (FE 74 A [FE 74 B for the Postal Service]).

FEGLI 99 - ELIGIBILITY FOR PARTICIPATION

Who Is Eligible to Participate in the Open Enrollment?

All active employees are eligible to participate, except those who are in a position that is excluded from FEGLI coverage by law or regulation.

What about Annuitants and Compensationers?

Annuitants cannot participate in the open enrollment period unless they are reemployed in a position in which they are eligible for coverage.

Compensationers who are insured as compensationers cannot participate in the open enrollment period.

Compensationers who are still insured as employees (i.e., during the first 12 months in nonpay status) can participate in the open enrollment period on the same basis as other employees in nonpay status (see below).

Compensationers who are reemployed on a part-time basis are also eligible to participate, unless the position is excluded by law or regulation.

What about Employees in Nonpay Status?

Employees in nonpay status may participate in the open enrollment period. However, any coverage they elect during the open enrollment cannot become effective until they are back in pay and duty status. (See below for information on the effective date of new coverage and pay and duty status requirements.)

EXCEPTION: Employees who are entitled to continue their benefits while on leave-without-pay to work full-time for employee organizations; detailed to international organizations; or on temporary assignment to State, local, and Indian tribal governments, institutions of higher

education, and other organizations eligible under the Intergovernmental Personnel Act of 1970 do not have to return to pay and duty status with their Federal agency. However, they must meet the pay and duty status requirements at their current employment site and must provide proof that they meet these requirements before any coverage they elect during the open enrollment period can become effective.

FEGLI 99 - ELECTIONS AND EFFECTIVE DATES

What Kinds of Elections Can an Employee Make?

Employees can elect any and all coverage for which they are eligible.

What Form Should Employees Use?

There is a special FEGLI 99 Open Enrollment Period Election Form (RI 76-27). *Employees cannot use SF 2817 to make FEGLI 99 open enrollment period elections.*

It is important to note that employees making an open enrollment election must complete the form indicating ALL coverage they wish to have - not just the new coverage. Any coverage not shown on the RI 76-27 will be considered to have been waived.

Is Positive Reenrollment Required?

No. Only employees who want to make a change in their coverage need to complete an enrollment form.

An employee who takes no action during the open enrollment period will keep the same coverage he/she had before the open enrollment period.

When Will Coverage Elected during the Open Enrollment Period Become Effective?

Coverage elected during the FEGLI 99 open enrollment period becomes effective the first pay period beginning on or after April 23, 2000, which follows a pay period during which the employee was in pay and duty status.

How Much Pay and Duty Status Is Necessary to Meet the Requirements?

A full-time employee must be in pay and duty status for 32 hours during the pay period before the one in which the coverage is to become effective.

A part-time employee must be in pay and duty status for one-half of the regularly-scheduled tour of duty shown on his/her current SF 50.

An intermittent employee or an employee without a regularly-scheduled tour of duty must be in pay and duty status for one-half of the hours customarily worked in a pay period. Employing offices can determine the number of hours customarily worked by totaling the number of hours worked in the calendar year quarter ending April 30, 1999, and dividing that by the number of pay periods in that quarter.

FEGLI 99 - PROCESSING OPEN ENROLLMENT ELECTIONS

How to Process FEGLI 99 Elections

The employing office must enter the date of receipt on the open enrollment election form (RI 76-27). An authorized agency official must verify that the employee is eligible for the coverage elected.

The employing office must give a copy of the RI 76-27 to the employee, as verification of receipt on a timely basis. (Please note that there are 2 *employee copies* of the election form. One copy goes to the employee at the time of submission; the other copy, showing the effective date, goes to the employee when the election is processed.)

Agencies must develop a system for holding the election forms until they can be processed in 2000. Whether you put them in the Official Personnel Folder (OPF) or maintain them separately from the OPF, you should flag the OPF in some way to indicate that the employee made an open enrollment election.

Prior to processing the election forms in 2000, an authorized agency official must verify that the employee meets the pay and duty status requirements.

When Do Employees Start Paying Premiums for the Coverage Elected during the Open Enrollment Period?

Employees do not start paying the premiums for their new coverage until it goes into effect in 2000.

What Happens If an Employee Retires before the New Coverage Becomes Effective?

If an employee makes an open enrollment election but retires before the new coverage goes into effect in 2000, he/she never will have had the new coverage. Therefore the employee will not be able to continue the coverage into retirement.

The same is true if the employee starts receiving compensation before the effective date of the new coverage.

In both cases, you should void the RI 76-27 and indicate in the “Remarks” section that the employee retired or started receiving compensation.

What Happens If an Employee Dies before the New Coverage Becomes Effective?

If an employee makes an open enrollment election but dies before the new coverage goes into effect in 2000, he/she never will have had the new coverage. Therefore, OFEGLI will pay benefits according to the “old” coverage.

The same is true if the employee elects increased Option C coverage and a covered family member dies before the new coverage goes into effect. OFEGLI will pay benefits according to the “old” coverage.

In both cases, be sure to certify the proper amount of coverage to OFEGLI.

What Happens If an Employee Transfers to Another Agency before the New Coverage Becomes Effective?

If an employee who has made an open enrollment election transfers to another agency before the election becomes effective, attach the RI 76-27 to the OPF when you send it to the employee’s new agency. The new agency will process the open enrollment election at the appropriate time if the employee meets the pay and duty status requirements.

FEGLI 99 - MISCELLANEOUS INFORMATION

Can Employees Continue This Newly Elected Coverage If They Retire or Become Insured As Compensationers?

The FEGLI 99 open enrollment period is *not* considered the first opportunity for electing coverage. Therefore, an employee must have the newly elected coverage for 5 years before retiring or starting to receive compensation in order to continue coverage as an annuitant or compensationer.

EXCEPTION: For most employees, FEGLI 99 *will* be their first opportunity to elect 2-5 multiples of Option C coverage. Therefore, employees who elect these multiples of Option C and retire after the coverage has gone into effect will be eligible to continue the coverage as long as they meet the 5-year requirement for their previous Option C coverage.

What about Belated Open Enrollment Elections?

An employing office may accept a belated open enrollment election within 6 months after the end of the open enrollment period. In order to accept a belated election, the employing office must determine that the employee was unable to make the election on a timely basis due to circumstances beyond his/her control. After the employing office has made such a determination, the employee has 31 days in which to make his/her election.

The effective date for a belated open enrollment election is the same as that for an election made on time, i.e., the first pay period beginning on or after April 23, 2000, which follows a pay period during which the employee was in pay and duty status.

What about Elections Made Due to a Life Event or Having a Physical Exam during the Open Enrollment Period?

Employees can still make “regular” elections during the open enrollment period. Employees can elect Basic, Option A, and Option B by having a physical exam. Employees can elect or increase Option B and/or Option C if they have a life event.

These elections are made on SF 2817. This will distinguish them from open enrollment elections. These elections will become effective within the same time frames that they always do. Only open enrollment elections have the 2000 effective date.

What Happens If an Employee Makes an Open Enrollment Election and Later Makes an Election Due to a Life Event or Having a Physical Exam?

If an employee has a life event or gets a physical exam after he/she has submitted an open enrollment election but before the election becomes effective, the employee can elect the appropriate coverage on SF 2817, which is to be processed in the normal way.

Since the employee's OPF will have been flagged, you will know that he/she made an open enrollment election. Check the RI 76-27 to see what coverage was elected. If the coverage elected during the open enrollment period is the same as that elected due to the life event or physical exam, void the open enrollment election. Indicate in the "Remarks" section that the employee elected coverage due to a life event or a physical exam, so the open enrollment election doesn't need to be processed.

If the coverage elected on the SF 2817 is different from that elected on the RI 76-27, contact the employee to verify what coverage he/she wants. It may be that some of the coverage elected during the open enrollment period could not be elected otherwise. For example, an employee who gets married can elect only 1 multiple of Option B and Option C, but he/she may have elected more multiples on the RI 76-27. In this case, process whatever can be processed due to the life event, and process the remaining multiples later as an open enrollment election.

What If an Employee Cancels His/Her Life Insurance?

If an employee submits an RI 76-27 cancelling FEGLI coverage, contact the employee to verify that he/she wants the cancellation to be effective in 2000 as an open enrollment election. If the employee wants the cancellation to be effective right away, have him/her complete SF 2817.

If an employee who made an open enrollment election later submits SF 2817 cancelling FEGLI coverage, the cancellation will take precedence over the open enrollment election. Process the SF 2817 within the normal time frames, and void the RI 76-27. In the "Remarks" section of the RI 76-27 state that the employee subsequently cancelled coverage.

Can an Employee Change His/Her Open Enrollment Election after It's Been Made?

Yes. If it's still within the open enrollment period, he/she can simply submit a revised RI 76-27. The employing office should void the previous open enrollment election form and process the one with the later date.

After the open enrollment period is over, an employee can notify the employing office in writing that he/she wishes to void the open enrollment election. The employee *cannot* make a new election at this time, however; the employee will simply keep whatever coverage he/she already has, unless he/she chooses to cancel some or all of that coverage.

Notice to Employees

Attached is a sample notice telling employees about the FEGLI 99 open enrollment period.



Abby L. Block, Chief
Insurance Policy
and Information Division

Attachment

SUGGESTED ANNOUNCEMENT

SUBJECT: FEGLI 99 OPEN ENROLLMENT PERIOD - APRIL 24, 1999, THROUGH JUNE 30, 1999

An open enrollment period for the Federal Employees' Group Life Insurance (FEGLI) Program will be held from April 24, 1999, through June 30, 1999.

What Kinds of Elections Can I Make during the Open Enrollment Period?

During the FEGLI 99 open enrollment period you can elect any life insurance that you don't currently have.

Is There Anything New Available during the Open Enrollment Period?

Yes. Until now, Option C coverage, which is coverage on your eligible family members, was limited to \$5,000 for your spouse and \$2,500 for each eligible child. You can now elect up to 5 multiples of those amounts, making the maximum amounts available \$25,000 for your spouse and \$12,500 for each eligible child. You have to elect the same number of multiples for each family member.

When Will My New Coverage Go into Effect?

Coverage elected during the open enrollment period will become effective the first pay period beginning on or after April 23, 2000. You have to be in pay and duty status during the pay period before the coverage becomes effective. For full-time employees, the amount of pay and duty status required is 32 hours. Employees who are not full-time should check with their employing office.

Will I Have to Start Paying the Premiums for My New Coverage Right Away?

No. You don't have to start paying the premiums for your new coverage until it goes into effect in 2000.

What If I Don't Want to Change My Coverage? Do I Have to Do Anything?

No. If you don't want to make any changes, you don't have to do anything. You will keep exactly what you have now.

What Do I Have to Do If I Want to Elect More Coverage?

You will receive information about the FEGLI Program: a revised FEGLI Booklet (RI-76-21 [or RI 76-20, if you work for the Postal Service]) and a special FEGLI 99 Open Enrollment Period Pamphlet (FE 74 A [or FE 74 B, if you work for the Postal Service]). If, after reviewing the material, you decide you want to elect more coverage, you must complete a special FEGLI 99 Open Enrollment Election Form (RI 76-27), which you can get from your employing office or from the FEGLI website at the address shown below. You must fill out the form showing ALL coverage that you want, not just the new coverage.

Will I Be Able to Continue this New Coverage If I Retire?

In order to continue FEGLI coverage when you retire, you must retire on an immediate annuity and you must have had the coverage for the 5 years of service right before you retire. If you don't have the coverage for 5 years, you can continue it if you've had it since your first opportunity to elect it. For instance, if you elect Option B during the open enrollment period, you will have to have it for 5 years before you retire in order to continue it. This is because the open enrollment period wouldn't be your first opportunity to elect Option B; you could have elected it when you first became eligible for it. However, since 2-5 multiples of Option C coverage were never available before, this open enrollment period is your first opportunity to elect them. If you do so and retire anytime after these additional multiples go into effect in 2000, you will be eligible to continue the coverage when you retire, as long as you meet the 5-year requirement for your previous Option C coverage.

If you need further information or assistance, contact *[enter name, location, and phone number of installation insurance officer]*. You can also obtain information from the Office of Personnel Management's FEGLI website: www.opm.gov/insure/life.