Subject: Federal Employees’ Group Life Insurance: Processing FEGLI 99 Open Enrollment Elections and Reminder of Option C Premium Changes

Background and Purpose

The Office of Personnel Management held an open enrollment period under the Federal Employees’ Group Life Insurance (FEGLI) Program from April 24, 1999, through June 30, 1999. Elections made during this open enrollment period become effective the first pay period beginning on or after April 23, 2000, which follows a pay period in which the employee met the pay and duty status requirements.

The purpose of this Benefits Administration Letter (BAL) is to provide agencies with additional information about processing these open enrollment elections. (Some of this information is also on the FEGLI web site under Frequently Asked Questions.)

Note: For most non-Postal employees, April 23, 2000, is the start of a pay period and is when FEGLI 99 elections will become effective. For Postal employees, the first pay period beginning on or after April 23, 2000, is May 6, 2000; this is when FEGLI 99 elections for Postal employees will become effective. In various examples in this BAL, we have used the April 23 date. For the Postal Service, the applicable date in the examples would be May 6.

What Are the Pay and Duty Status 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.
offices can determine the number of hours customarily worked by totaling the number of hours worked in the calendar year quarter which ended April 30, 1999, and dividing that by the number of pay periods in that quarter.

If an employee doesn’t meet the pay and duty status requirements for any reason, you must delay putting the open enrollment election into effect until the pay period after the one in which the employee does meet the requirements. For example, if a full-time employee who made an open enrollment election is on annual leave or sick leave for more than 48 hours during the pay period beginning April 9, 2000, the employee’s open enrollment election will not become effective April 23. Once the employee returns to pay and duty status for at least 32 hours in a pay period, the new coverage will become effective at the beginning of the following pay period.

What if an Employee Who Made an Open Enrollment Election Later Made an Election by Having a Physical Exam or Having a Life Event?

For these employees you will need to compare the open enrollment election (made on RI 76-27) with the subsequent life event or physical exam election (made on SF 2817 and/or SF 2822).

If the elections are identical, there is nothing further to process. You should void the RI 76-27 and indicate in the “Remarks” section that the employee elected coverage due to a life event or a physical exam.

If the elections are different, you need to contact the employee to find out which coverage he/she wants. The SF 2817 election may have been limited by regulatory requirements. For instance, an employee cannot elect Option C by having a physical; an employee who has a baby may elect only one multiple of Option B; etc. If the employee states that he/she still wants the rest of the coverage elected during FEGLI 99, process the open enrollment election. If the employee states that he/she no longer wants the rest of the coverage, void the RI 76-27, and explain in the “Remarks” section.

Caution: You need to be very careful in these situations that you don’t inadvertently void coverage that the employee already had. For example, if an employee with Basic insurance elected Option B during FEGLI 99 and subsequently got married, he/she may have elected Option C due to the marriage. If the employee still wants the Option B coverage, make sure when you process the open enrollment election that you do not remove the Option C coverage elected due to the life event. In this case, the coverage the employee will have after the open enrollment processing will be a combination of the life event election and the FEGLI 99 election.

What if an Employee Who Made an Open Enrollment Election Subsequently Cancelled All FEGLI Coverage?

We previously instructed you to void the employee’s RI 76-27. You should contact these employees the same as any other employees who made FEGLI elections after the open enrollment period. If, indeed, the employee intended to cancel his/her coverage just until the FEGLI 99 elections were processed, go ahead and process the RI 76-27. If the employee
intended for his/her coverage to remain cancelled, the RI 76-27 will remain void.

What if an Employee Who Made an Open Enrollment Election Transferred to Another Agency?

Hopefully, you attached the RI 76-27 to the employee’s OPF when you sent it to the new agency. The new agency will process the open enrollment election.

If you find one that slipped by you, send it to the employee’s new agency for processing as soon as you discover it.

What if an Employee Made an Open Enrollment Election, Then Separated, Then Returned to Service?

There are four possible scenarios here:

1. **Break in service was less than 180 days and employee returned on or before April 23, 2000:** Process the open enrollment election the same as for any other employee.

2. **Break in service is less than 180 days and employee returns after April 23, 2000:** Process the open enrollment election after the employee returns. The new coverage will be effective the pay period after the employee meets the pay and duty status requirements.

3. **Break in service was 180 days or more and employee returned on or before April 23, 2000:** Employees with a break in service of at least 180 days may make a new FEGLI election when they return to service. If an employee in this situation made a new election, that coverage takes precedence over the FEGLI 99 election. Void the RI 76-27 and explain in the “Remarks” section. If the employee did not make a new election, he/she got back the coverage in place at the time of separation. This included the pending FEGLI 99 election. Process the open enrollment election the same as for any other employee.

4. **Break in service is 180 days or more and employee returns after April 23, 2000:** If the employee makes a new election when he/she returns to service, that coverage remains in effect. If the employee does not make a new election, he/she will get back the coverage in place before the separation. Do not process the FEGLI 99 election; void the RI 76-27.

What if an Employee Who Made an Open Enrollment Election Went into Nonpay Status before April 23, Stays in Nonpay Status for 12 Months or More, Then Returns to Service?

The employee's coverage terminates after 12 months in nonpay status. When the employee returns to active Federal service, he/she gets back the coverage in place at the time of the termination. Since there is no break in service, there is no opportunity to elect additional coverage. However, part of the "old" coverage is the pending FEGLI 99 election. Process the open enrollment election when the employee returns to service. The new coverage will be effective the pay period after the employee meets the pay and duty status requirements.
What if an Employee Who Made an Open Enrollment Election Retired before April 23, 2000, and then Becomes Reemployed?

The open enrollment election was voided at the time of retirement. Do not process it. (If the annuitant’s break in service was at least 180 days, he/she may make a new election at the time of reemployment.)

Careful Annotation Important

As you can see from the situations discussed above, it is very important to document the OPF clearly as to what happened and why it happened. You should make notes in the "Remarks" section of the RI 76-27s and/or SF 2817s wherever appropriate. Do memos to the file, if that will help to explain things. This will be especially helpful for someone looking at an employee's file in the future to determine what coverage the individual is eligible to continue into retirement.

Option C Premium Changes

Remember, the new age bands for Option C go into effect April 24, 2000. The premiums for these new age bands go into effect the first pay period beginning on or after April 24, 2000. (For most non-Postal employees this will be the pay period after the open enrollment changes go into effect.) The new age bands and premiums are:

Ages 60 through 64: $2.60 per multiple
Ages 65 through 69: $3.00 per multiple
Ages 70 and over: $3.40 per multiple

Abby L. Block, Chief
Insurance Policy
And Information Division