



***Retirement and Insurance Service
Benefits Administration Letter***

Number: 01-217

Date: August 29, 2001

**Subject: Federal Employees' Group Life Insurance Program – Revision of SF 2818,
Continuation of Life Insurance Coverage as a Retiree or Compensationeer**

What is the revision date?

The revised form is dated May 2001.

Why did OPM revise the form?

We revised the form **extensively** to incorporate the Option B and Option C Election Notices (which now become obsolete), to change several other procedures, to use plain language and to reflect the current premiums. This is a **very significant revision**. Please read this entire BAL and the entire form, including the instructions, very carefully.

What are the new procedures?

Employees completing this form must now choose (and sign for) **each** type of life insurance coverage they would like to have in retirement/compensation (Basic, Option A, Option B and Option C). They must choose either "Yes" (meaning they want to have the coverage in retirement/compensation if they are eligible to do so) or "No" (meaning they do not want to have the coverage in retirement/compensation). In addition, for Option B and Option C, they must indicate the number of multiples they want to have in retirement/compensation, and whether they want Full Reduction or No Reduction for those multiples. And, of course, just as before, they must choose the reduction schedule for Basic – either 75%, 50% or No Reduction.

What if employees check "No"?

They will not have that type of life insurance coverage in retirement. If they check "No" for Basic, they will not have **any** life insurance in retirement, and they also should not choose a reduction level for the Basic Life Insurance.

<i>Civil Service Retirement System</i>	<i>Federal Employees' Group Life Insurance Program</i>	<i>Federal Employees Health Benefits Program</i>	<i>Federal Employees Retirement System</i>	<i>Long Term Care Insurance Program</i>
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What if employees choose fewer Option B or Option C multiples than they are eligible to carry into retirement/compensation?

They will only have the number of multiples they choose to carry on the SF 2818.

If employees check “No” on the new SF 2818 or choose fewer Option B or Option C multiples than eligible, should they also complete an SF 2817, *Life Insurance Election*, to cancel that insurance?

No. Employees should NOT complete an SF 2817 too. This is *VERY* important. The new SF 2818 is sufficient. *Completing an SF 2817 to stop life insurance coverage effective at retirement will unnecessarily delay retirement processing.*

Does this mean employees should never complete an SF 2817 to cancel FEGLI coverage?

No. Employees should still use an SF 2817, *Life Insurance Election*, to cancel FEGLI coverage if they want the cancellation to be effective during their employment. The cancellation is effective at the end of the pay period in which the agency receives the SF 2817. Employees submitting such a cancellation do not get the temporary extension of coverage and right to convert. Employees should **not** use the SF 2817 to stop coverage, effective at retirement. They should now use the new SF 2818 to do that.

Is checking “No” or choosing fewer Option B or Option C multiples than eligible on the new SF 2818 treated as a voluntary cancellation of life insurance?

No. The life insurance coverage as an employee already stopped when the employment or 12 months in nonpay status ended. Checking “No” or choosing fewer multiples than eligible on the new SF 2818 simply means that the employee does not wish to carry that life insurance coverage in retirement or compensation. However, even though the employee is choosing fewer multiples or declining to continue coverage in retirement, the SF 2821, *Agency Certification of Insurance Status*, should reflect the level of coverage the employee has on the date of separation, **not** the level of coverage the employee chose to continue in retirement.

If employees check “No” or choose fewer Option B or Option C multiples than eligible on the new SF 2818, will they get a temporary extension of coverage?

Yes. They will have a 31-day temporary extension of coverage and right to convert the “stopped” coverage. You must give them an SF 2819, *Notice of Conversion Privilege*, and an SF 2821, *Agency Certification of Insurance Status*.

This sounds different than our current procedures. Before this new form, if employees didn’t want coverage in retirement, they usually completed an SF 2817 and waived all coverage. We never gave them the right to convert. Why is this now different?

Employee coverage terminates at retirement. It is not possible, therefore, to waive (cancel)

coverage that is already stopping. Before this new version of the SF 2818, filing an SF 2817 was the only way employees could convey their intention not to carry coverage into retirement. The new SF 2818 lets employees make this choice without completing another form. Even if employees make a mistake and still file an SF 2817 effective at retirement to cancel some or all coverage, they will still get the temporary extension of coverage and right to convert. You must remember to give them an SF 2819, *Notice of Conversion Privilege*, and SF 2821, *Agency Certification of Insurance Status*. Hopefully, though, these “mistakes” won’t happen often – you should tell your employees not to file an SF 2817 for this purpose and instead use the new SF 2818.

Do we still need to give an employee an SF 2819 *Notice of Conversion Privilege* if he/she elects to keep all of his/her insurance into retirement?

Yes, because the employee may change his/her mind prior to final retirement processing by OPM, or may in fact not be eligible to continue one or more of the coverages.

Our employee cancelled all FEGLI coverage on an SF 2817, but the cancellation was effective a month before retirement. Do we still give the employee conversion rights?

No. Voluntary cancellations effective before retirement do not qualify for the temporary extension of coverage and right to convert.

Should we also give retiring employees the Option B and Option C Election Notices to complete?

No. Both of those notices are now obsolete. Stop using them as soon as you start using the revised SF 2818. The new SF 2818 incorporates all of the information from those notices.

What else is new on this version of the form?

We rewrote all of the instructions in plain language using the question and answer format, and included the current premiums. We also clarified that only the insured employee can sign this form. If an assignee, guardian, conservator, or anyone with the employee’s power of attorney signs the form, the form is invalid.

How do we order the form?

You can order the revised form from GSA/FSS (General Services Administration, Federal Supply Service) using normal FEDSTRIP/MILSTRIP procedures (special procedures specified in your agency’s procurement or acquisition office for obtaining items from GSA).

Is this new form available on the Internet?

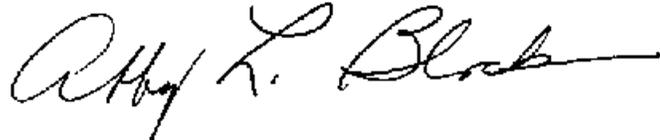
Yes. You can download the revised form from the FEGLI web site (<http://www.opm.gov/insure/life/pubslst/index.htm>) in an Adobe Acrobat PDF-fillable version.

Can we use previous editions?

No. It is *extremely important* to stop using previous editions of the SF 2818. *Use of the old form will delay retirement processing.* Employees must complete the *new* form.

What is the form's stock number and cost?

The National Stock Number (NSN) for the SF 2818 is 7540-01-231-5585. The cost is \$3.74 per PG (contains 25 EA).

A handwritten signature in black ink, reading "Abby L. Block". The signature is written in a cursive style with a long horizontal flourish at the end.

Abby L. Block
Assistant Director
For Insurance Programs