



Retirement and Insurance Service
Benefits Administration Letter

Number: 02-105

Date: September 25, 2002

Subject: Reminder To Include APS On SF 2821

We've become concerned recently that some agencies are neglecting to include Additional Pay Status (APS) pay in the final salary for life insurance.

Please remember to include, when appropriate, APS pay in the final salary for life insurance purposes in Item #10 when completing SF 2821, Agency Certification of Life Insurance Status. If an employee has a type of APS pay that is included in basic pay on the date entered in Item #8, the pay must be included in Item #10. Both the personnel officer and the payroll officer must confirm whether APS pay is correctly applied before signing the SF 2821.

The FEGLI Handbook (<http://www.opm.gov/insure/life/handbook/index.htm>) lists which types of premium, or APS, pay are included as part of basic pay for life insurance purposes, and which are not. Following are both current lists. You will be alerted if there is ever a change to either list.

Included:

The following *are included* in annual basic pay for life insurance purposes:

- Interim geographic adjustments and locality-based comparability payments as provided by Pub. L. 101-509
- Premium pay for standby duty under 5 U.S.C. 5545(c)(1)
- Premium pay for overtime inspectional service for customs officers as provided by Pub. L. 103-66
- Premium pay for administratively uncontrollable overtime under 5 U.S.C. 5545(c)(2) for a law enforcement officer as defined under 5 U.S.C. 8331(20) and 5 CFR 831.902 and 842.802

*Civil Service
Retirement
System*

*Federal Employees'
Group Life
Insurance Program*

*Federal Employees
Health Benefits
Program*

*Federal Employees
Retirement
System*

*Long Term
Care Insurance
Program*

Included (continued)

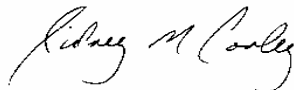
- Night differential pay for wage employees
- Environmental differential pay for employees exposed to danger or physical hardship
- Tropical differential pay for citizen employees in Panama
- Special pay adjustments for law enforcement officers
- Availability pay for criminal investigators under 5 U.S.C. 5545a
- Bonuses for Department of Veterans Affairs physicians and dentists under Pub. L. 96-330
- Straight-time pay for regular overtime hours for firefighters, as provided in 5 U.S.C. 5545b and 5 CFR part 550, subpart M

Not Included:

The following *are not included* in annual basic pay for life insurance purposes:

- Foreign post differential for wage employees. *Exception:* those wage employees in Guam who were recruited from outside Guam and are paid a recruitment and retention incentive
- Night differential pay and foreign or non-foreign post differential pay of General Schedule employees
- Bonuses, allowances, overtime, holiday, and military pay not listed above as included
- Premium pay authorized certain air traffic controllers under Pub. L. 97-276
- Lump-sum payments for accrued leave
- Supervisory differentials
- Retention allowances
- Physicians' comparability allowances.

Please make sure APS service is correctly applied in all cases, as it is essential so that we can give the retiree the coverage to which he or she is entitled, and make sure premiums are correctly withheld.



Sidney M. Conley
Assistant Director
For Retirement Programs