

United States

**Office of
Personnel Management**

The Federal Government's Human Resources Agency



Benefits Administration Letter

Number: 11-205

Date: November 10, 2011

**Subject: Federal Employees' Group Life Insurance (FEGLI) Program: Announcing
New FEGLI Premiums**

Background

The Office of Personnel Management (OPM) is announcing changes in premiums for certain Federal Employees' Group Life Insurance (FEGLI) categories. These include changes to premiums for Option B (most age bands), Option C (all age bands), and Post-Retirement Basic Insurance (for annuitants only).

There will be no change in premiums for Basic Employee or Option A coverage.

Purpose

The purpose of this Benefits Administration Letter (BAL) is to transmit new premiums under the Federal Employees' Group Life Insurance (FEGLI) Program.

New Premiums

OPM has completed a study of funding and claims experience within the FEGLI Program. Based on this updated actuarial analysis of actual claims experience, OPM has determined that changes are required to Option B, Option C, and Post-Retirement Basic premiums.

Experience in all Option B age groups, other than the oldest groups (ages 75-79 and 80 and over), shows we should make a slight decrease in premiums. We are reducing premiums for the following age bands for Option B: Under 35, 35-39, 40-44, 45-49, 50-54, 55-59, 60-64, 65-69, and 70-74. The last premium change to Option B was implemented in 2005.

We are also reducing Option C premiums for enrollees under age 45, and increasing premiums for age groups age 45 and over. We are decreasing premiums for the following age bands: Under 35, 35-39, and 40-44. We are increasing premiums for the following age bands: 45-49, 50-54, 55-59, 60-64, 65-69, 70-74, 75-79, and 80 and over. The last premium change to Option C was implemented in 2005.

The extra premium for Post-Retirement Basic FEGLI will increase for those enrollees who elected the 50% Reduction and No Reduction at retirement. The extra premium for the

50% Reduction election for Basic insurance is \$0.64 per \$1,000 of coverage; and the extra premium for the No Reduction election for Basic insurance is \$1.94 per \$1,000 of coverage. The last premium change to Post-Retirement Basic FEGLI was implemented in 2003.

Effective Date

The effective date for the new premiums is *January 1, 2012*. Payroll offices must apply the new premiums the first pay period beginning on or after that date.

Payroll Office Notification

OPM's Financial Reporting and Analysis Staff will notify payroll offices of the new premiums through a BAL in the 300 series.

UPDATED INFORMATION ON THE WEB

A notice describing these changes is available in the Federal Register. (http://www.ofr.gov/OFRUpload/OFRData/2011-29285_PI.pdf) The FEGLI premium rates will be updated on the FEGLI web site (www.opm.gov/insure/life) in January 2012.

We are also updating the FEGLI Handbook to reflect the new information. Until the updates are ready, employees should be informed of the changes by the agency (Attachment 1).

If you have any other questions or comments regarding this BAL, you may contact Ronald Brown, Policy Analyst, Planning and Policy Analysis, at Ronald.brown@opm.gov or at 202.606.0004.

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