



***Benefits Administration Letter***

**Number:** 16- 204

**Date:** March 17, 2016

**Subject: Federal Employees' Group Life Insurance Program (FEGLI)  
Life Insurance Open Season Guidance**

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**Purpose**

The FEGLI Program will have a life insurance Open Season from **September 1, 2016 through September 30, 2016**.

The purpose of this Benefits Administration Letter (BAL) is to provide detailed guidance about conducting the FEGLI 2016 Open Season.

**ELIGIBILITY FOR PARTICIPATION**

**Who Is Eligible to Participate in the Open Season?**

All employees who are eligible for the FEGLI Program can participate.

**Who is Not Eligible to Participate in the Open Season?**

Employees excluded from FEGLI coverage by law or regulation on or after September 1, 2016 cannot participate. If you need more information about exclusions, please consult the FEGLI Handbook at [www.opm.gov/life](http://www.opm.gov/life).

**Can Annuitants and Compensationers Participate?**

It depends.

Annuitants cannot participate in the Open Season unless they are reemployed in a position which conveys FEGLI eligibility.

It is important to note that FEGLI coverage obtained under a dual pay appointment such as a FEPCA appointment cannot be used for retirement purposes. A dual pay reemployed annuitant cannot continue coverage elected during the open season into retirement.

Compensationers cannot participate in the Open Season unless they are still insured as employees (i.e., *during the first 12 months in nonpay status*). However, as with any other employee in nonpay status, any coverage that compensationers elect during the Open Season will not become effective until they are back in pay and duty status. The effective date of the new coverage and pay and duty status requirements are discussed below.

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

### **Can Employees Who Elect Phased Retirement Participate?**

Yes. Employees who elect phased retirement are Federal employees who work a part-time tour of duty while receiving partial retirement benefits. They are eligible to elect FEGLI coverage or changes, the same as other full-time employees.

### **Can Employees in Nonpay Status Participate?**

Yes. Employees in nonpay status can participate in the Open Season. However, ***any coverage they elect during the Open Season will not become effective until they are back in pay and duty status.*** The effective date of new coverage and pay and duty status requirements are discussed below.

## **ELECTIONS AND COVERAGE**

### **What Kinds of Elections Can Employees Make?**

Employees who are not enrolled in the FEGLI Program can elect Basic and any or all of the optional coverages. Employees who are already enrolled in the FEGLI Program can increase their coverage, up to the maximum available, or change their coverage.

### **Do Employees Have to Prove Insurability?**

No. Employees can elect coverage during this Open Season without having to prove insurability, pass a physical exam, or answer health questions.

### **What Form Should Employees Use to Elect Coverage?**

Employees can use the SF 2817, Life Insurance Election, to make FEGLI 2016 Open Season elections. Alternatively, employees can use their agency's online human resources portal if their agency offers a portal that allows online FEGLI election changes.

If an employee uses the SF 2817 for an Open Season election, then in Box 6, Number of Event Permitting Change, the agency must enter the number 6. If the agency's online human resources portal includes a similar event code field, the code for Open Season must be entered.

Please note that employees making an Open Season election **must** sign on the form for ALL coverage they wish to have – *not just the new coverage they are electing during the Open Season.*

*Any coverage not signed for on the SF 2817 will be cancelled/waived, effective with the effective date of the Open Season election.*

### **Is Positive Reenrollment Required?**

No. Only employees who want to enroll or change coverage need to complete an election form.

An employee who takes no action during the Open Season will keep the same coverage he/she had before the Open Season. Any coverage previously waived will remain waived.

### **Have the Types of Coverage Changed for the FEGLI 2016 Open Season?**

No. The types of coverage available during the FEGLI 2016 Open Season will be the same as currently available.

### **What Are the Types of Coverage?**

- **Basic** – coverage on the employee’s life equal to the employee’s annual rate of basic pay, rounded up to the next even \$1,000, plus \$2,000.
- Plus three types of Optional insurance:
  - **Option A – Standard** covers the employee’s life for \$10,000
  - **Option B – Additional** covers employee’s life for one, two, three, four, or five times the employee’s annual rate of basic pay rounded up to the next \$1,000
  - **Option C – Family** covers the lives of the employee’s spouse and eligible children. An employee can elect one, two, three, four, or five multiples of Option C coverage. Each multiple is equal to \$5,000 of coverage on the life of a spouse and \$2,500 of coverage on the lives of each eligible child

An employee must elect or already have Basic to elect any Optional insurance.

For more information on the types of coverage available, including information on Accidental Death and Dismemberment coverage (part of Basic and Option A) and the Extra Benefit for employees under age 45, please see the “Your FEGLI Life Insurance – For Federal Employees” video at [www.opm.gov/life](http://www.opm.gov/life).

## **EFFECTIVE DATES**

### **When Will Open Season Elections Become Effective?**

Open Season elections become effective on the first day of the first pay period that:

- begins **on or after October 1, 2017**, and
- follows a pay period during which the employee met the pay and duty status requirements described below.

For most employees on a biweekly pay period, this will be October 1, 2017 (October 14, 2017 for Postal employees).

### **What Are the Pay and Duty Status Requirements?**

*A full-time employee on a biweekly pay period* must be in pay and duty status for at least 32 hours during the pay period right before the one in which the coverage is to become effective.

*A full-time employee on a monthly pay period* must be in pay and duty status for at least 64 hours during the pay period right 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* who is eligible for FEGLI coverage 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 June 30, 2016, and dividing that by the number of pay periods in that quarter.

Please note that sick leave, annual leave, donated leave, or any other kind of leave, whether paid or unpaid, does not qualify as pay and duty status.

New coverage does NOT begin until the employee meets the pay and duty status requirements, even if that is after October 2017. ***For some employees, new coverage will never begin because they will never meet the pay and duty status requirements.***

### **Are There Any Exceptions To The Pay And Duty Status Requirements?**

No. However, employees may meet the pay and duty status requirements at the following employment sites:

- at an employee organization while on leave-without-pay to work there full-time;
- at an international organization while on detail to work there; or
- at a State, local, or Indian tribal government; institution of higher education; or other organization eligible under the Intergovernmental Personnel Act of 1970, while on temporary assignment to work there.

## **PROCESSING OPEN SEASON ELECTIONS**

### **How Should We Process FEGLI 2016 Elections?**

The employing office must enter the date of receipt in Box 6 of the SF 2817 election form or its electronic equivalent. An authorized agency official must verify that the employee is in a position which conveys eligibility for FEGLI coverage.

The employing office must give a copy of the SF 2817 or its electronic equivalent to the employee as verification of receipt on a timely basis during the Open Season. (*A second copy must be provided to the employee after the election becomes effective.*)

Agencies must develop a system for holding the election forms or their electronic equivalent until they are processed and become effective. Whether you put them in the Official Personnel Folder (OPF) or its electronic equivalent, or maintain them separately, you should flag the OPF/equivalent in some way to indicate that the employee made an Open Season election.

Before coverage will become effective, an authorized agency official must verify that employees meet the pay and duty status requirements discussed earlier.

### **When Do Employees Start Paying Premiums for Open Season Coverage?**

Employees will start paying premiums for their new coverage only when that coverage becomes effective, but not sooner than October 1, 2017 (October 14, 2017 for Postal employees).

### **What Happens if an Employee Retires before the New Coverage Becomes Effective?**

If an employee makes an Open Season election but retires before the new coverage becomes effective, he/she never had the new coverage. Therefore, the employee cannot continue the newly elected 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 SF 2817 or its electronic equivalent and indicate in the “remarks” section that the employee retired or started receiving compensation before the open season effective date. Any SF 2821 *Agency Certification of Insurance Status* must show only the “old” coverage.

### **What Happens if an Employee Transfers to Another Agency before the New Coverage Becomes Effective?**

If an employee who made an Open Season election transfers to another agency before the election becomes effective, attach the SF 2817 to the OPF or its electronic equivalent when you send it to the employee’s new agency. The new agency must process the Open Season election at the appropriate time, but not sooner than October 1, 2017 (October 14, 2017 for Postal employees).

### **What Happens If An Employee Leaves Federal Service Before The Effective Date?**

If an employee makes an Open Season election but leaves Federal service before the new coverage becomes effective (October 1, 2017; October 14, 2017 for Postal), he/she never had the new coverage. The agency must certify the “old” coverage, if any, on the SF 2821, *Agency Certification of Insurance Status*. The employee can only convert the “old” coverage, and not the new coverage.

### **What Happens if an Employee or Family Member Dies before the New Coverage Becomes Effective?**

If an employee makes an Open Season election but dies before the new coverage becomes effective (October 1, 2017; October 14, 2017 for Postal), he/she never had the new coverage. The agency must certify the “old” coverage, if any. Benefits will be paid based on the “old” coverage, not the new coverage.

The same is true if an employee elects or increases Option C coverage and a family member dies before the new coverage goes into effect (October 1, 2017; October 14, 2017 for Postal).

## **CONTINUING COVERAGE**

### **Can Employees Continue New Open Season Coverage if They Retire or Become Insured as Compensationers?**

It depends. The FEGLI 2016 Open Season is *not* the first opportunity for electing coverage. Therefore, an employee must have the new coverage for the five years of service immediately before retiring or starting to receive compensation to continue that coverage as an annuitant or compensationer. There is no waiver of this five year requirement.

So the very earliest most employees can retire or start receiving compensation and carry new coverage from the FEGLI 2016 Open Season into retirement or compensation is October 1, 2022 (October 14, 2022 for Postal employees).

Here’s an example:

Eric currently has Basic and one multiple of Option B, which he elected when he was hired back in 2010. He elects four more multiples of Option B and five multiples of Option C during the FEGLI 2016 Open Season. He signed an SF 2817 Open Season election form for Basic, five multiples of Option B, and five multiples of Option C. He retires in 2020.

He can carry Basic and one multiple of Option B into retirement. Eric cannot carry into retirement the four new multiples of Option B or the five multiples of Option C he elected during the 2016 Open Season because he did not have that coverage from his first opportunity (which was in 2010) nor for the five years of service immediately before his retirement.

The agency will complete the SF 2821 *Agency Certification of Insurance Status* showing the coverage that Eric had on his retirement date. He cannot carry the four multiples of Option B or the five multiples of Option C elected during the FEGLI 2016 Open Season; however, he can convert that coverage to a private policy.

## **COMMUNICATING INFORMATION ABOUT OPEN SEASON TO EMPLOYEES**

### **How Will Employees Hear About the Open Season?**

You will provide information to your employees. We will provide sample emails and FAQs that agencies can distribute to employees. We also intend to produce an educational video and flyer

about the FEGLI 2016 Open Season. Information about these materials will be distributed in the BenefitsInfo Listserv and at [www.opm.gov/life](http://www.opm.gov/life).

### **If Employees Ask Us Now, Can We Tell Them There Will Be an Open Season?**

Yes, please tell employees about the FEGLI 2016 Open Season. OPM announced the Open Season in [BAL 15-203](#). More information will follow.

## **MISCELLANEOUS INFORMATION**

### **Can Employees Make Belated Open Season Elections?**

Yes, under certain circumstances. You may accept a belated Open Season election through March 31, 2017, if you determine that the employee was unable to make a timely election due to circumstances beyond his/her control. The employee has 60 days after you have made that determination to make his/her Open Season election on an SF 2817 or its electronic equivalent. Use the “Remarks” section of the SF 2817 or its electronic equivalent to indicate that you have authorized a belated Open Season election.

The effective date for a belated Open Season election is the same as that for a timely election. The employee must also meet the pay and duty status requirements already discussed.

### **Can Employees Make Elections By Submitting Evidence of Medical Insurability or Due to a Life Event During the Open Season?**

Employees can still make regular elections during the Open Season period. None of those rules have changed. Employees may elect Basic, Option A, and/or up to five multiples of Option B based on satisfactory medical evidence of insurability using SF 2822 *Request for Insurance*. Employees may elect Basic, Option A, up to five multiples of Option B, and/or up to five multiples of Option C within 60 days of a qualifying life event.

Regular elections will become effective in the same timeframe that they always do. ***Be sure to use the appropriate “Number of Event Permitting Change” code in Box 6 of the SF 2817 or its electronic equivalent to distinguish a regular election (and its effective date) from an Open Season election.***

### **What Happens if an Employee Makes an Open Season Election and Later Makes a “Regular” Election on an SF 2817?**

If an employee is electing coverage on an SF 2817 (e.g., based on a life event) **after** he/she has submitted an Open Season election, but **before** the Open Season election becomes effective (October 1, 2017; October 14, 2017 for Postal), the employing office must process it in the normal way as a “regular” election.

The subsequent “regular” election supersedes the Open Season election. Void the Open Season election and use the “Remarks” section to indicate that the employee elected coverage on [specify date] based on a life event or physical exam.

## **What if an Employee Cancels His/Her Life Insurance?**

If an employee cancels all coverage on an SF 2817 **after** he/she has submitted an Open Season election, but **before** the Open Season election becomes effective (October 1, 2017; October 14, 2017 for Postal), the employing office must process it in the normal way for a cancellation.

The subsequent “regular” SF 2817 cancelling coverage supersedes the Open Season election. Void the Open Season election and use the “Remarks” section to indicate that the employee subsequently cancelled all coverage on [effective date].

## **Can an Employee Change His/Her Open Season Election?**

Yes. If it is still within the Open Season period, he/she can simply submit a new Open Season SF 2817. The employing office should void the previous Open Season election form and process the one with the later date. At the end of the Open Season period, the SF 2817 with the latest date should be processed.

The employee cannot make an Open Season election after Open Season has ended unless you allow a belated Open Season election as discussed above.

After the Open Season is over and before the effective date of the Open Season coverage (October 1, 2017; October 14, 2017 for Postal), an employee can notify the employing office in writing that he/she wishes to reduce the amount of coverage elected during Open Season or to void the Open Season election completely. You must document this action in the employee’s OPF or its electronic equivalent.

## **DATA NEEDS**

We will need to know how many employees submit FEGLI 2016 Open Season elections. So please start thinking about how you can capture that information and report it to us. We will discuss this need for data in more detail in a future Benefits Administration Letter.

## **FUTURE BENEFITS ADMINISTRATION LETTERS (BALs)**

### **Open Season Material and Notice to Employees**

As the FEGLI Open Season approaches we will issue additional BALs providing resources for human resources officers, such as sample emails to send to employees, FAQs, and a web video.

### **Data Needs**

We will issue a BAL discussing the need for Open Season data.

### **Processing FEGLI 2016 Open Season Elections**



We have purposely not included in this BAL all of the varied scenarios that may come up in processing FEGLI 2016 Open Season elections. We will issue another BAL, closer to the effective date of coverage in 2017, containing additional questions/answers on what you will need to do in 2017 (and perhaps beyond) to process Open Season elections.

If you have any questions regarding this Benefits Administration Letter please contact the FEGLI Program Office at [fegli@opm.gov](mailto:fegli@opm.gov) or call (202) 606-1413.

Sincerely,

John O'Brien  
Director