



# PAYROLL OFFICE LETTER

U. S. Office of Personnel Management

Number: P-99-07

Date: February 17,  
1999

Subject: **NEW PREMIUMS AND AGE BANDS**

The purpose of this letter is to transmit new withholdings and contributions rates for the Federal Employees' Group Life Insurance (FEGLI) Program and to provide important information regarding the definition of age as it affects withholdings. Should you have questions, please call us on (202) 606-0606 or email us at [finance@opm.gov](mailto:finance@opm.gov).

## NEW WITHHOLDING AND CONTRIBUTION RATES

The Office of Personnel Management (OPM) periodically reviews FEGLI withholding and contribution rates in order to determine whether circumstances require changes. Due to lower mortality rates in most age groups, OPM has decided to revise the FEGLI withholding and contribution rates.

Withholding and contribution rates are being reduced for Basic life insurance and, in most age bands, withholdings are being reduced for the optional coverages. New withholding and contribution rate tables are attached; they are effective on the first day of the pay period beginning on or after *April 24, 1999*.

## NEW "AGE BANDS"

Currently, the upper age band for optional coverage withholdings is "60 and over". This will be replaced by three new age bands: "60-64", "65-69", and "70 and over". The attached withholding rate tables reflect these new age bands, and separate rates have been computed for those age bands for Options B and C. (Option A is shown with the new age bands as well, even though Option A withholdings will be the same for all age bands beyond age 60).

## REVISED RULE FOR MOVEMENT TO NEW AGE BAND

Currently, an employee is considered to have reached age 35, 40, 45, 50, 55, or 60 for withholdings purposes in the January 1 following his/her actual birthday. To follow standard industry practice, we are changing this policy. Thus, the new withholding rate, for an employee who reaches age 35, 40, 45, 50, 55, 60, 65 or 70 on or after April 24, 1999, will be effective on the first day of the first pay

period following that in which his/her actual birthday occurs. For employees, whose birthdays fall from January 1, 1999 through April 23, 1999, the new withholding rates will take effect on the first day of the first pay period beginning on or after April 24, 1999.

A handwritten signature in black ink, appearing to read "Robert A. Yujan", with a long horizontal flourish extending to the right.

**Robert A. Yujan, Chief  
Financial Policy Staff  
Retirement and Insurance Service**

**Attachment (Please contact us at [finance@opm.gov](mailto:finance@opm.gov) to request attachment)**