

The Federal Employees' Group Life Insurance (FEGLI) Program is a life insurance initiative for Federal and Postal employees and annuitants, governed by Chapter 87 of Title 5, United States Code, and administered by the Office of Personnel Management (OPM). FEGLI is group term life insurance, meaning it does not accumulate cash value, and loans against it are not permitted. The program includes Basic insurance, automatically provided unless waived, and Optional insurance, which must be elected by the insured. Basic insurance pays the greater of the employee's annual basic pay (rounded up to the next even \$1,000 plus \$2,000) or \$10,000, with the government covering one-third of the premium costs. Employees under 45 receive additional coverage at no extra cost. Optional insurance consists of three types: Option A (\$10,000), Option B (multiples of annual basic pay), and Option C (coverage for spouses and eligible children). Accidental Death and Dismemberment (AD&D) benefits are included with Basic and Option A insurance at no additional cost, providing benefits for accidental injuries leading to death or dismemberment.

Coverage becomes effective on the first day in a pay and duty status for Basic insurance, while Optional insurance takes effect upon the employer's receipt of the election. Employees must waive Basic insurance if they do not want it, while Optional insurance is automatically waived if not elected. Cancellation of coverage can occur at any time, with Basic insurance cancellation resulting in the automatic cancellation of all Optional insurance. If an employee wishes to cancel a waiver of Basic insurance, they must provide satisfactory medical information after one year and complete a Request for Insurance form. The program outlines responsibilities for OPM, the Office of Federal Employees' Group Life Insurance (OFEGLI), and employing agencies, as well as the procedures for claims, beneficiary designations, and the conversion of insurance upon termination or retirement.

Coverage approval by OFEGLI is contingent upon a medical examination, and once approved, the human resources office will enroll the individual in Basic insurance, effective on the first day of duty in pay status within 60 days of approval. If the individual does not enter pay status within this timeframe, the approval is revoked. Policyholders have 60 days from the approval date to elect

additional options or increase coverage. A waiver of coverage can be canceled due to qualifying life events such as marriage, divorce, or the death of a spouse, with elections needing to be filed within 31 to 60 days of the event. There are no regular open seasons for changing coverage, but reductions or cancellations can occur at any time. Coverage continues for the first 12 months in nonpay status without premium payments, except for those receiving benefits from OWCP. After 12 months, coverage terminates, but there is a 31-day extension and the right to convert to an individual policy. Employees entering military service may retain coverage for up to 24 months in nonpay status, with specific premium payment obligations.

Upon returning to work after a break in service, coverage reinstates automatically depending on the duration of the break. Life insurance terminates under several conditions, including cancellation, separation from service, or completion of 12 months in nonpay status. Upon termination, there is a 31-day extension of coverage, allowing for conversion to an individual policy without a medical exam. Eligibility for continued coverage as an annuitant or compensationner requires meeting specific criteria, including a minimum of five years of service. Post-65 reductions in insurance amounts are available, with options for 75% or 50% reductions, or no reduction, affecting premiums accordingly. The order of precedence for benefit payments upon death is clearly defined, prioritizing designated beneficiaries, spouses, children, and other relatives.

Beneficiaries must be designated to alter the order of precedence, and any valid court orders will supersede prior designations. Assignment of insurance ownership is permitted but is irrevocable and must include all types of insurance. Living benefits can be elected if diagnosed with a terminal illness, allowing for the payment of Basic insurance while still living. Only Basic insurance qualifies for living benefits, and specific conditions apply for employees and annuitants. In the event of death, claimants must notify the employing office, which will provide a Claim for Death Benefits (FE-6). Each claimant is required to submit a separate claim form either to the employing office or directly to OFEGLI, as instructed. OFEGLI will only process death benefits claims after receiving the FE-6

form, satisfactory proof of death (including a certified death certificate), an Agency Certification of Insurance Status (SF 2821), and any other necessary documentation.

The policy outlines the procedures and conditions for obtaining and maintaining FEGLI. For employees like Ernest, whose salary is \$48,638 for a 24-hour work week, the annual pay for FEGLI purposes is calculated to be \$29,183. Employees on piecework rates have their annual pay determined by total basic earnings from the previous calendar year, excluding overtime or holiday pay, with adjustments made for any changes in piecework rates. If an employee has taken leave without pay, their annual pay is calculated based on the average daily rate multiplied by 260. New employees' annual pay for life insurance is based on the average earnings of similar positions in the previous year. For employees with multiple pay rates, the annual pay is calculated as a weighted average if they have a regular schedule, or based on the rate at the end of the pay period if they do not.

The policy details the amounts of optional insurance available, including Option A (Standard) at \$10,000, Option B (Additional) which is based on multiples of the employee's annual pay, and Option C (Family) which covers spouses and eligible dependent children. The coverage amounts for Options B and C are adjusted based on the employee's annual pay and do not include extra benefits for those under age 45. In cases of concurrent employment, employees can only have one FEGLI election for each type of coverage, and the amount of insurance is based on the total annual pay from all positions. Changes in the amount of insurance occur automatically with changes in annual pay that affect the \$1,000 bracket, while certain coverages may reduce upon reaching age 65.

Accidental death and dismemberment (AD&D) benefits are payable for injuries resulting from violent, external, and accidental means, leading to loss of life, limb, or eyesight within one year of the incident. The policy specifies the criteria for determining loss of hand, foot, or eyesight, as defined by OFEGLI. However, exclusions apply, and benefits will not be paid if death or loss results

from physical or mental illness, treatment of such illnesses, infections, acts of war, suicide, self-inflicted injuries, illegal drug use, or intoxicated driving. Basic insurance and any optional insurance are payable upon death, regardless of the cause. AD&D coverage is automatically included in Basic and Option A insurance at no extra cost, but is not available with Options B and C, for annuitants, or during a 31-day coverage extension after termination.

The policy outlines the benefits and exclusions related to AD&D coverage under FEGLI. Accidental death benefits under Basic insurance equal the Basic Insurance Amount (BIA) without an age multiplication factor, while dismemberment benefits for the loss of one hand, foot, or eyesight in one eye are half the BIA, with full BIA payable for multiple losses. For Option A, accidental death benefits are \$10,000, and dismemberment benefits are \$5,000 for one loss, with full coverage for multiple losses. Benefits are payable for each separate accident. If a living benefit election is made, the BIA and AD&D coverage may be reduced accordingly, but this does not affect Option A benefits.

Eligibility for Basic insurance is automatic for federal employees unless waived or excluded by law. Optional insurance requires an election and is available if Basic insurance is held and the employee's pay covers the cost. Certain employees are excluded from coverage, including those with limited appointments, non-citizens stationed outside the U.S., and intermittent employees, among others. Family members eligible for Option C coverage include a spouse and unmarried dependent children under age 22. A former spouse is not covered under Option C, and coverage for a spouse ends on the finalization of a divorce, with no extension or conversion rights. Eligible children must be unmarried and under 22 years old, with an exception for those over 22 who are incapable of self-support due to a disability that existed before age 22. Eligible dependent children include biological children, adopted children, recognized natural children, and stepchildren or foster children living in a regular parent-child relationship.

To certify a foster child's eligibility, the insured must provide a signed certification confirming the

child meets all requirements. If a foster child moves out to live with a biological parent, they cannot be covered again unless specific conditions are met, such as the biological parent's death or incapacity. A child is not considered a foster child if placed in the home under an agency's control or if the living arrangement is temporary. For children over 22, coverage under Option C is contingent upon proving incapacity for self-support due to a disability that began before age 22. Documentation from a physician is required to establish this incapacity, detailing the child's condition and its expected duration. Certain medical conditions automatically qualify a child for coverage if they existed before age 22.

The cost of Basic insurance is shared between the insured and the government, with specific arrangements for the U.S. Postal Service. The Basic insurance premium remains stable, with periodic reviews by OPM communicated through Federal Register notices and updates on the FEGLI website. The Basic insurance employs a composite premium structure, meaning younger employees may pay higher premiums compared to age-based coverage options. Basic insurance can continue into retirement, with costs prefunded to allow some coverage at no cost after age 65. Employees contribute \$0.15 biweekly for each \$1,000 of their Basic Insurance Amount (B