



# Federal Employees' Group Life Insurance Open Season

**September 1 - 30, 2016**

*Take Advantage of the First Open Season since 2004*



# FEGLI Program Open Season — September 1 - 30, 2016

*It doesn't happen often, but when it does, make sure that your family has enough protection. FEGLI Open Season is taking place **September 1 - 30, 2016**. Learn more today and enroll, because you never know when the next Open Season will be!*

It has been 12 years since the last Federal Employees' Group Life Insurance (FEGLI) Program Open Season. Now is the time to review your life insurance coverage to see if it continues to meet your needs. From **September 1 - 30, 2016**, as an eligible Federal employee you have the opportunity to enroll in or increase your FEGLI coverage up to the plan maximum, even if you previously waived coverage.

During this FEGLI Open Season, you can enroll in or increase your FEGLI coverage for yourself and eligible dependent family members – **without answering any medical questions or having a physical examination.**<sup>1</sup>

*Please visit [www.opm.gov/life](http://www.opm.gov/life).*

*If you have any questions, please contact your local agency human resources office.*

## Who is Eligible?

Most Federal employees, including part-time employees, are eligible for FEGLI. If you have a question about eligibility, see your local agency human resources office or shared service center. Participation is entirely voluntary.

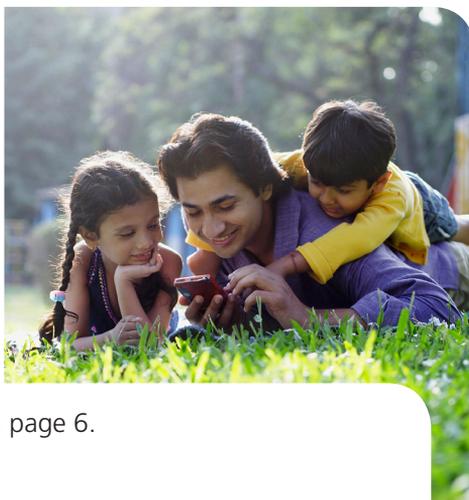
Employees who are in their first 12 months of workers' compensation are eligible, but must meet pay and duty status requirements before their coverage will be effective.

Annuitants are not eligible to participate in FEGLI Open Seasons.

<sup>1</sup> Please note, your coverage will be effective on or after October 1, 2017, following a one year delayed effective date. Please see page 8 for additional information on the delayed effective period.

## Basic Life

Basic insurance provides the first level of financial protection. Unless waived, all eligible Federal employees will receive Basic life insurance in an amount equal to your salary, rounded up to the next \$1,000, plus \$2,000. If eligible, the Federal Government pays one-third of the cost of your Basic insurance. Your share of the cost is outlined on page 6.



## Optional Coverage

In addition to Basic Life insurance, FEGLI provides you with different coverage options to meet your life insurance needs. The FEGLI Program is designed to help support your family by replacing your lost income if something should happen to you or your dependents. While no amount of money can replace you or your dependents, the right amount of life insurance can go a long way toward helping your family replace lost income and maintain their lifestyle in the event of a death.

During Open Season, eligible employees can also elect:

- **Option A** — Standard, in the amount of **\$10,000**.
- **Option B** — Additional, in an amount from **one to five times** your annual rate of basic pay after rounding your salary up to the next \$1,000.
- **Option C** — Family, **one to five multiples** of coverage for your spouse and your eligible dependent children. To be eligible, dependent children must be unmarried and under age 22, or if age 22 or over, incapable of self-support because of a mental or physical disability that existed before the child reached age 22. Each multiple is equal to \$5,000 for the death of your spouse and \$2,500 for the death of each eligible dependent child.

*Remember, you must have Basic insurance to be able to enroll in these coverage options. You can elect to enroll in any or all types of Optional Insurance.*



### **Extra Benefit**

Basic insurance also provides an extra benefit to employees under age 45, at no additional cost. The Extra Benefit:

- Doubles the amount of Basic insurance payable if you die when you are 35 or younger
- After you reach age 36, your benefit will decrease 10% each year
- At age 45 and over, there is no Extra Benefit

### **Accidental Death & Dismemberment (AD&D)**

AD&D Insurance provides additional funds in the event of a fatal accident, or an accident that results in the loss of your eyesight or a limb(s). If payable, AD&D insurance is in addition to any other FEGLI benefit payment.

AD&D is included in your Basic insurance at no additional cost to you. It is equal to your Basic insurance and does not include the Extra Benefit. It is also automatically included in Option A - Standard for \$10,000 at no additional cost.

Please note, AD&D is only available to eligible Federal employees, and is not available to annuitants.



## Need Help Deciding?

Purchasing life insurance is a personal decision that only you can make. You should first consider the funds your survivors will need for immediate expenses, such as: uninsured medical costs, funeral expenses, lawyers' fees to settle an estate, debts, and taxes.

Review the life stage examples on the next page. They will illustrate examples at various stages of life and the coverage amounts needed to meet the objectives of each scenario.

There are several ways to find out what type or types of FEGLI coverage you currently have. You may find this information in your agency's online human resources portal, if your agency offers one.

You can also find your current election in Box 27 on your most recent SF 50 Notification of Personnel Action. Or you can ask your human resources office for a copy of your most recent election. Once you know your election and your current salary, you can use the FEGLI Cost Calculator at [www.opm.gov/life](http://www.opm.gov/life) to determine the current value of your coverage.

## How Much Coverage Do You Need?

Not sure how much life insurance you should have? You're not alone. The FEGLI Coverage Calculator can also help you determine the amount of coverage that is right for you and your family. Access the calculator at [www.opm.gov/life](http://www.opm.gov/life).

## Single



### Bob – Age 27

Even though Bob is single, he still feels the need to purchase life insurance through the FEGLI Program. Bob has a large college loan that his parents have co-signed. In the event something were to happen to him, his parents will be responsible for paying off his college loan. To prevent this burden on them, Bob is applying for enough life insurance to:

- Pay his remaining college loan balance
- Cover car loan and other outstanding debt
- Leave an inheritance to his niece

### Annual Pay

**\$70,000**

Monthly income (after tax):	\$4,800 x 12
Years you want to secure income:	x 2
<b>Total Income to Secure</b>	<b>= \$115,200</b>
Outstanding debt:	+ \$40,000
Funeral expenses*:	+ \$6,500
Add'l commitments:	+ \$10,000

### Suggested coverage:

= \$171,700  
**Basic Life + Option B: 2 times your annual rate of basic pay**

## Married with Children



### Jack – Age 35, has a spouse and two children, ages 3 and 5

Jack and his wife's jobs are the main source of income for their family. Their combined income supports their standard of living. Life insurance can help replace a portion of his or his wife's income if something were to happen to either of them. Through the FEGLI program, Jack can enroll in life insurance coverage for himself and his wife to help his family with the following:

- Children's care and education
- Cover outstanding mortgage and other debt
- Care for his aging parents

Jack also wants to cover his children so that the family has added financial protection in the event of an unexpected death.

### Annual Pay

**\$95,000**

Monthly income (after tax):	\$6,200 x 12
Years you want to secure income:	x 2
<b>Total Income to Secure</b>	<b>= \$148,800</b>
3-6 months housing expenses:	+ \$8,000
Outstanding debt:	+ \$125,000
Education/school:	+ \$60,000
Funeral expenses*:	+ \$6,500
Add'l commitments:	+ \$25,000

### Suggested coverage:

= \$373,300  
**Basic Life + Option B and C: 3 multiples per each coverage**

## Empty Nester



### Helen – Age 63, has a spouse and three children, ages 34, 31 and 27

Helen and her husband are looking ahead towards retirement. Helen knows that having appropriate life insurance will help ensure that her husband can still achieve their retirement goals even if something happens to her. They have paid off their children's college tuition and weddings and are looking forward to retirement. However, they do not want to burden their family with any estate or funeral expenses. If Helen wants to carry this new coverage into retirement, she must have five years of Federal service once this coverage becomes effective before she retires. Refer to page 9 for additional details.

### Annual Pay

**\$140,000**

Monthly income (after tax):	\$8,800 x 12
Years you want to secure income:	x 1
<b>Total Income to Secure</b>	<b>= \$105,600</b>
3-6 months housing expenses:	+ \$7,000
Outstanding debt:	+ \$0
Education/school:	+ \$0
Funeral expenses*:	+ \$6,500
Add'l commitments:	+ \$25,000

### Suggested coverage:

= \$144,100  
**Basic Life + Option A**

\*The average cost of a funeral is \$6,500 not including cemetery costs or probate which has an average cost of 5%-10% of the gross estate. (Sources: National Funeral Directors Association (NFDA) General Price List Survey, 2012 /AARP Probate Study, 2013.)

## Bi-Weekly Cost of Coverage

The rates shown below for the biweekly cost per \$1,000 of coverage, except Option A and Option C.\* To calculate your specific rate, use the FEGLI Calculator at [www.opm.gov/life](http://www.opm.gov/life). As a reminder, once you have or elect Basic you can enroll in any or all types of Optional insurance.

### Costs

**Basic Insurance** - Generally, the Federal Government pays one-third of the cost. Your share of the costs is shown below.

Payroll Method	Withholding for each \$1,000 of Insurance
Bi-Weekly	\$0.15

### Option A - Standard

Employee's Age Group	Bi-Weekly
Under 35	\$0.20
35-39	\$0.30
40-44	\$0.40
45-49	\$0.70
50-54	\$1.10
55-59	\$2.00
60+	\$6.00

### Option B - Additional

Employee's Age Group	Bi-Weekly, per \$1,000
Under 35	\$0.02
35-39	\$0.03
40-44	\$0.04
45-49	\$0.07
50-54	\$0.11
55-59	\$0.20
60-64	\$0.44
65-69	\$0.54
70-74	\$0.96
75-79	\$1.80
80+	\$2.64

### Option C - Family

Employee's Age Group	Bi-Weekly, per multiple**
Under 35	\$0.22
35-39	\$0.27
40-44	\$0.41
45-49	\$0.59
50-54	\$0.92
55-59	\$1.48
60-64	\$2.70
65-69	\$3.14
70-74	\$3.83
75-79	\$5.26
80+	\$7.20

\*These rates may change in future years. For more information, please see the FEGLI website at [www.opm.gov/life](http://www.opm.gov/life).

\*\* 1 Multiple = \$5,000 for spouse and \$2,500 for each eligible dependent child

For additional information on your premiums, visit [www.opm.gov/life](http://www.opm.gov/life) and click "Employee" on the right side of the screen.



## Some important points to keep in mind:

- If eligible, you are automatically covered under Basic life insurance, unless you waive it.
- During this Open Season, you can enroll in or increase coverage without answering any medical questions or having a physical exam.
- The FEGLI Program offers group rates and convenient payroll deductions.
- FEGLI is group term life insurance. It does not have any cash or paid-up value. You cannot get a loan by borrowing from this insurance.
- The amount of life insurance one needs varies by individual. Some general guidelines to help you calculate your needs are on page 5.

## Enroll Today

1. Review all materials and resources available to you about your FEGLI opportunity
2. Calculate your current coverage using the FEGLI Cost Calculator, your current salary, and your current election on your agency's online human resources portal or in Box 27 on your most recent SF 50 Notification of Personnel Action and assess how your needs have changed.
3. Access your enrollment form (SF 2817) at [www.opm.gov/life](http://www.opm.gov/life)
4. Complete, sign and submit your form to your human resources office or local personnel office by September 30, 2016



## Enrollment Instructions:

To enroll or change your FEGLI coverage during this Open Season, you can submit the SF 2817, Life Insurance Election form, to your human resources office. Alternatively, employees can use their agency's online human resources portal if their agency offers a portal that allows online FEGLI election changes.

Please note that if you are making an Open Season election you must sign on the form for ALL coverages you wish to have – not just the new coverage you are electing during the Open Season. Any coverage not signed for on the SF 2817 will be canceled/waived, effective with the effective date of the Open Season election.

## Delayed Effective Date:

There is a one year delayed effective date for coverage elected through the FEGLI Open Season. Elections will take effect on the first day of your first pay period that begins on or after **October 1, 2017**, provided you are actively at work. For most biweekly employees, this means your coverage will be effective October 1, 2017 (October 14, 2017 for Postal employees). Premiums will not be paid based on new coverage until that new coverage becomes effective.

## Electing Coverage

If you don't make an election during this FEGLI Program Open Season, your current FEGLI coverage will remain the same. If you previously waived all FEGLI coverage, this waiver will remain in effect if no election is made.

If you do not want to wait, you can elect coverage (except Option C) without a delayed effective date by providing satisfactory medical information on the Request for Insurance form, SF 2822, available at [www.opm.gov/life](http://www.opm.gov/life).<sup>2</sup> You can also elect basic and optional coverage within 60 days of a FEGLI qualifying life event (e.g., marriage, divorce, death of a spouse, birth/adoption of children). If you submit a FEGLI election during the waiting period while your Open Season election is pending, it will void the Open Season election and only the subsequent election will go into effect.

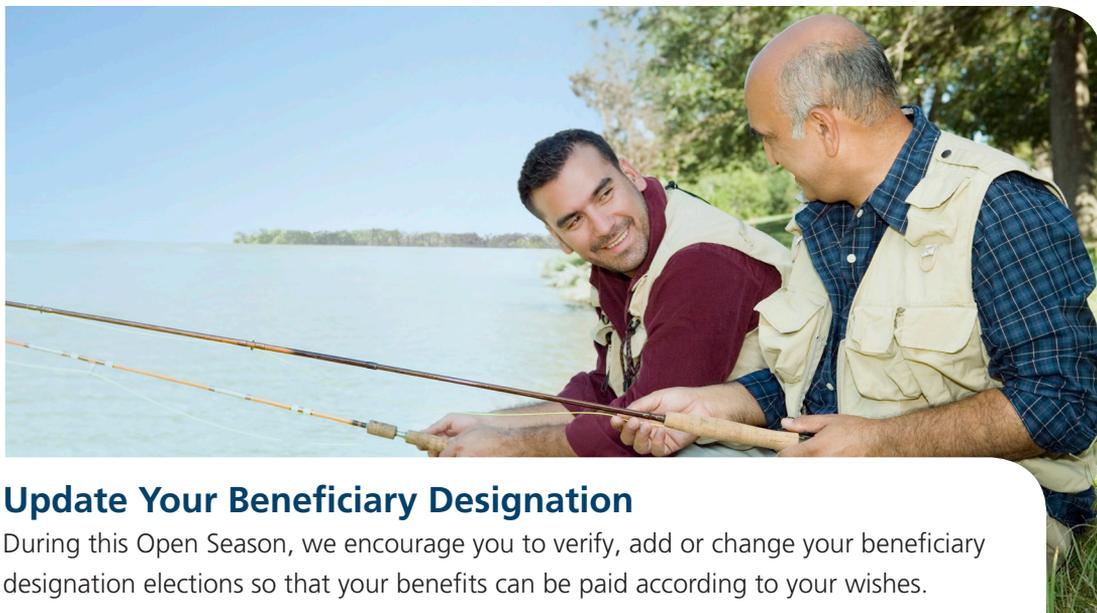


## FEGLI and Retirement

All regular rules still apply for continuing FEGLI into retirement. This includes the requirement that for any types or multiples of coverage you wish to bring into retirement, you must have that coverage throughout your last five years of Federal service, or your entire period or periods of service if you retire with less than five years. Because coverage elected during the FEGLI Open Season will be effective no sooner than October 2017, this means that if you want to bring your Open Season coverage into retirement, you must retire in October 2022 or later, five years after the coverage becomes effective.

If you plan to retire before October 2022, consider this when deciding whether to elect coverage during the FEGLI Open Season. By law, there are no waivers for the five-year rule under the FEGLI Program.

<sup>2</sup> Your application is subject to review and approval based upon the FEGLI program's underwriting rules.



## Update Your Beneficiary Designation

During this Open Season, we encourage you to verify, add or change your beneficiary designation elections so that your benefits can be paid according to your wishes.

Updating your beneficiary designation is completely voluntary. If you did not assign ownership and there is no valid court order on file, the Office of Federal Employees' Group Life Insurance (OFEGLI) will pay life insurance benefits in the following order, set by law:

1. To the beneficiary(ies) you designated.
2. To your widow or widower.
3. If none of the above, to your child or children in equal shares, with the share of any deceased child distributed among descendants of that child (a court will usually have to appoint a guardian to receive payment for a minor child).
4. If none of the above, to your parents in equal shares or the entire amount to your surviving parent.
5. If none of the above, to the executor or administrator of your estate.
6. If none of the above, to your other next of kin as determined under the laws of the state where you legally resided.

For more information about beneficiary designations, visit [www.opm.gov/life](http://www.opm.gov/life).

If you wish to add or update your beneficiary designation, you should complete a Designation of Beneficiary (SF 2823, available at [www.opm.gov/life](http://www.opm.gov/life)) and submit it to your human resources office. Your human resources office must have this beneficiary designation on file before you die to be valid.

## FAQs

### How do I know if I am in an “eligible position”?

Almost all employees are in eligible positions and can enroll in FEGLI. The only exception is those employees in positions that do not allow FEGLI coverage. Your human resources office can tell you if that applies to you.

### When will Open Season elections become effective?

There is a one year delayed effective date for your new FEGLI coverage. Open Season elections will 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.

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.

### Why is there a delayed effective date?

The 2004 Open Season also had a delayed effective date. The idea behind it is to avoid adverse selection - to avoid people electing increased insurance coverage based on the knowledge that there is a high probability that the insurance will become payable within a year.

### Who should I go to with questions?

For questions, please contact your agency's human resources office or shared service center. For more information on this Open Season and the FEGLI Program, visit [www.opm.gov/life](http://www.opm.gov/life).

### When is the next FEGLI Open Season?

A FEGLI Open Season is a rare event. No one knows when the next one might be, so be sure to take advantage of this Open Season.











This Booklet provides general information for employees about the Federal Employees' Group Life Insurance (FEGLI) Program. You can get detailed information in the FEGLI Handbook (RI 76-26), which is available only in electronic format, at [www.opm.gov/life](http://www.opm.gov/life). While some information for annuitants is provided here, annuitants can visit [www.opm.gov/life](http://www.opm.gov/life) for more information about FEGLI benefits in retirement.

## Discover your options for life insurance

Life insurance enrollment  
**September 1 - 30, 2016**

19-32618(0516)

OPM has a contract with the Metropolitan Life Insurance Company (MetLife) to administer the Federal Employees' Group Life Insurance (FEGLI) program. This is not a complete description of the FEGLI program. Please review the FEGLI handbook for complete details.