



United States
Office of Personnel Management
Retirement and Insurance Service

Benefits Administration Letter

Number: 99-204

Date: February 10, 1999



Subject: Federal Employees' Group Life Insurance: New Premiums and Age Bands

Purpose

The purpose of this Benefits Administration Letter (BAL) is to transmit the new age bands and premiums under the Federal Employees' Group Life Insurance (FEGLI) Program and to implement a change in the way employees move from one age band to another.

New Premiums

The Office of Personnel Management (OPM) periodically reviews the FEGLI rates to determine whether circumstances require any changes in the premiums. The last premium change was effective January 1, 1993.

Because of lower mortality rates in most age groups, OPM has decided to revise the FEGLI premiums. Premiums are being reduced for Basic insurance and in most age bands for Optional insurance. The new rates will be published in regulation; we will notify you by another BAL when those regulations are published.

The new premium tables are attached.

New Age Bands

Pub. L. 105-311, Federal Employees Life Insurance Improvement Act, enacted October 30, 1998, made numerous changes to the FEGLI Program. One of those changes is to allow employees who are retiring or becoming insured as compensationers to elect unreduced Option B and/or Option C coverage. Currently, these coverages automatically begin to reduce when an

*Civil Service
Retirement
System*

*Federal Employees
Group Life
Insurance*

*Federal Employees
Health Benefits
Program*

*Federal Employees
Retirement
System*

annuitant/compensationeer reaches age 65. Another change the new law makes is to provide a three-year portability demonstration project, which allows employees whose insurance is terminating due to separation or completion of 12 months in nonpay status to continue their Option B coverage on a direct pay basis. (We will provide detailed information regarding these changes in a later BAL.)

Since Options B and C may now be continued to a later age in retirement, and Option B may be continued through portability, additional age bands are necessary.

Therefore, the previous upper age band of "60 and over" has been replaced by three new age bands: 60-64, 65-69, and 70 and over. The attached premium tables reflect the new age bands, and separate rates have been developed for those age bands for Options B and C. (For ease of agencies' administration, we have shown Option A with the same age bands as Options B and C; however, the premiums are the same for all Option A age bands beyond age 60.)

**Change in the Way
Employees Move from
One Age Band to Another**

Currently, when an employee has a birthday that moves him/her to another age band, the premiums for the new age band don't go into effect until the January following the birthday.

To follow standard industry practice, we are changing this policy. When an employee has a birthday that moves him/her to another age band, the premiums for the new age band will become effective the pay period following the pay period in which the birthday occurs.

Effective Date

The effective date for these changes is *April 24, 1999*.

The new premiums and age bands will be in place the first pay period beginning on or after April 24, 1999.

The change in moving from one age band to another in the pay period following the employee's birthday is effective for birthdays on or after April 24, 1999.

Employees who have a birthday from January 1, 1999, through April 23, 1999, that moves them into a new age band will start paying the premiums for the new age band

the first pay period beginning on or after April 24, 1999.

**Payroll Office
Notification**

Payroll offices will be notified of these changes through a
Payroll Office Letter.



Abby L. Block, Chief
Insurance Policy
and Information Division

Attachment

BIWEEKLY FEGLI PREMIUMS - EFFECTIVE APRIL 24, 1999

BASIC INSURANCE

Withholding from employee: \$0.1550 per \$1,000

Government contribution: \$0.0775 per \$1,000

OPTION A

Under 35	\$0.30
35-39	\$0.40
40-44	\$0.60
45-49	\$0.90
50-54	\$1.40
55-59	\$2.70
60-64	\$6.00
65-69	\$6.00
70 and over	\$6.00

OPTION B (per \$1,000)

Under 35	\$0.03
35-39	\$0.04
40-44	\$0.06
45-49	\$0.10
50-54	\$0.15
55-59	\$0.31
60-64	\$0.70
65-69	\$0.90
70 and over	\$1.40

OPTION C (per multiple)

Under 35	\$0.27
35-39	\$0.34
40-44	\$0.46
45-49	\$0.60
50-54	\$0.90
55-59	\$1.45
60-64	\$2.60
65-69	\$3.00
70 and over	\$3.40