
Chapter 22. Change in Federal Employees Group Life Insurance and Election of Living Benefits (Natures of Action 805, 806, and 881)

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Chapter 22. Change in Federal Employees Group Life Insurance and Election of Living Benefits

1. Coverage.

a. This chapter covers:

(1) Change in Federal Employees' Group Life Insurance coverage, a change in an employee's life insurance coverage when no other change takes place on the same date; and

(2) Election of full or partial living benefits by a terminally ill employee who wants to receive his or her basic benefits while he or she is still living, rather than having them paid to a beneficiary or survivor upon his or her death.

See 5 CFR part 870 and the Federal Employees' Group Life Insurance Program - A Handbook for Employees, Annuitants, Compensationers and Employing Offices (FEGLI Handbook), for additional information on the life insurance coverage.

b. This chapter does *not* cover correction of an error. (See Chapter 32.)

2. Insurance Forms.

a. Standard Form 2817, Life Insurance Election, is used to elect, change, waive, or drop Federal Employees' Group Life Insurance coverage. Check the FEGLI Handbook to be sure the employee is eligible to make the election or change and to identify any other forms that are needed.

b. FE-8C, Explanation of Benefits, is used to document approval of the employee's claim for Living Benefits. The Office of Federal Employees Group Life Insurance sends the FE-8C to the personnel and payroll offices when the employee cashes or deposits the benefits check.

3. Use of Standard Form 52.

Use of a Standard Form 52, Request for Personnel Action, for change of Federal Employees' Group Life Insurance and election of Living Benefits actions is optional. The Standard Form 50, Notification of Personnel Action, may be prepared directly from the information in your agency's automated system (or the employee's Official Personnel Folder) *and* the information on the Standard Form 2817 or the FE-8C. If your agency procedures require a Standard Form 52, either the employee's office or the personnel office may prepare it. When a Standard Form 52 is used, no requesting officials' signatures are needed.

4. Effective Dates.

Refer to the FEGLI Handbook to determine the effective date of a Federal Employees' Group Life Insurance election, cancellation, or termination. For an election of Living Benefits, the effective date is the date shown in remarks on the FE-8C.

5. Instructions.

a. Use Table 22-A to select the nature of action and authority, and enter them in blocks 5A-D of the Standard Form 50. When the action is a change due to termination of coverage, refer to the FEGLI Handbook for instructions on information to provide the employee.

b. Enter the Standard Form 50 effective date in block 4 of the Standard Form 50.

c. Use Table 22-B to select remarks to explain the action and enter them in block 45 of the Standard Form 50.

d. Follow instructions in Chapter 4 to complete the remaining blocks on the Standard Form 50.

e. Follow your agency's instructions to have the Standard Form 50 signed or authenticated.

f. Follow your agency's instructions for distributing documentation of the personnel action.

Table 22-A. Documenting change in Federal Employees Group Life Insurance and Election of Living Benefits

<i>R U L E</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
	<i>If Employee</i>	<i>Then Nature of Action Code is</i>	<i>Nature of Action is</i>	<i>Authority Code is</i>	<i>And Authority is</i>
1	Elects, changes, waives, or drops Federal Employees' Group Life Insurance coverage	881	Chg in FEGLI	DPM	5 U.S.C., Ch. 87
2	Elected Full Living Benefits	805	Elected Full Living Benefits		
3	Elected Partial Living Benefits	806	Elected Partial Living Benefits		

Table 22-B. Remarks to be Shown on the Standard Form 50

<i>R U L E</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
	<i>If</i>	<i>And</i>	<i>Then Remark Code is</i>	<i>And Required Remark is</i>
1	Employee's new Federal Employees Group Life Insurance code is <i>other than</i> "A" or "B"	Employee's work schedule is part-time	B51	Basic Life insurance coverage and Additional Optional coverage (if elected) are based on the rate of annual salary payable to you as a part-time employee, not the full-time salary rate shown in block 20 of this SF 50. However, Basic Life insurance coverage is always at least \$10,000.
2	Employee loses coverage because work schedule changes to intermittent		B46	SF 2819 was provided. Life insurance coverage is extended for 31 days during which you are eligible to convert to an individual policy (nongroup contract).
3	Employee loses coverage because he or she has been in nonpay status for 12 months.			
4	Employee has elected full Living Benefits		B67	Elected full Living Benefits on (enter date from FE-8C). Post-election Basic Insurance amount is \$00.00.
5	Employee has elected partial Living Benefits		B68	Elected partial Living Benefits on (enter date from FE-8C). Post-election Basic Insurance amount is (enter amount from FE-8C). Must elect "no reduction" at retirement.