

Office of Personnel Management

§ 870.506

Management Assistance Authority who elects to be considered a Federal employee under section 153 of Pub. L. 104-134 (110 Stat. 1321) must elect or waive Option A, Option B, and Option C coverage within 31 days after the later of:

(i) The date his/her employment with the Authority begins, or

(ii) The date the Authority receives his/her election to be considered a Federal employee.

(3) Within 6 months after an employee becomes eligible, an employing office may determine that the employee was unable, for reasons beyond his/her control, to elect any type of Optional insurance within the time limit. In this case, the employee must elect or waive that type of Optional insurance within 31 days after he/she is notified of the determination. The insurance is retroactive to the 1st day of the first pay period beginning after the date the individual became eligible or after April 1, 1981, whichever is later. The individual must pay the full cost of the insurance from that date for the time that he/she is in pay status, retired, or receiving compensation and under age 65.

(b) Any employee who doesn't file a Life Insurance Election with his/her employing office, in a manner designated by OPM, specifically electing any type of Optional insurance is considered to have waived it and does not have that type of Optional insurance.

(c) For the purpose of having Option A as an employee, an election of this insurance filed on or before February 28, 1981, is considered to have been cancelled effective at the end of the pay period which included March 31, 1981, unless the employee didn't actually enter on duty in pay status during the 1st pay period which began on or after April 1, 1981. In that case the election is considered to have been cancelled on the first day after the end of the next pay period in which the employee actually entered on duty in pay status. In order to have Option A as an employee after the date of this cancellation, an employee must specifically elect the coverage by filing the Life Insurance Election with his/her employing office subject to the provisions of § 870.504(a) or § 870.506(b).

(d) Optional insurance is effective the 1st day an employee actually enters on duty in pay status on or after the day the employing office receives the election.

(e) For an employee whose Optional insurance stopped for a reason other than a waiver, the insurance is reinstated on the 1st day he/she actually enters on duty in pay status in a position in which he/she again becomes eligible.

[62 FR 48731, Sept. 17, 1997; 62 FR 52181, Oct. 6, 1997]

§ 870.505 Optional insurance: Waiver/cancellation of insurance.

(a) An insured individual may cancel entirely any type of Optional insurance, or reduce the number of multiples of his/her Option B insurance, at any time by filing a waiver of Optional insurance coverage. An employee files with the employing office. An annuitant files with OPM or other office that administers his/her retirement system. If still employed, a compensationner files with the employing office, and if not still employed, with OPM. Exception: an individual who has assigned his/her insurance under subpart I of this part cannot cancel Option A or Option B coverage.

(b) A cancellation of Optional insurance becomes effective, and Optional insurance stops, at the end of the pay period in which the waiver is properly filed. Exception: if Option C is cancelled because there are no eligible family members, the effective date is retroactive to the end of the pay period in which there stopped being any eligible family members.

(c) A waiver of Optional insurance remains in effect until it is cancelled as provided in § 870.506.

§ 870.506 Optional insurance: Cancelling a waiver.

(a) *When there is a change in family circumstances.* (1) An employee cannot cancel a waiver of Option A due to a change in family circumstances.

(2) An employee who has waived Option B coverage can elect it, and an employee who has fewer than 5 multiples of Option B can increase the number of multiples, upon his/her marriage or divorce, upon a spouse's death,

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or upon acquiring an eligible child. Exception: Acquiring a foster child does not qualify an employee to elect or increase Option B coverage.

(3) The number of multiples of Option B coverage that an employee can obtain or add (which cannot exceed a total of 5) is limited to the following:

(i) For marriage, the number of additional family members (spouse and eligible children) acquired with the marriage;

(ii) For acquisition of children, the number of eligible children acquired; and

(iii) For divorce or death of a spouse, the total number of eligible children of the employee.

(4)(i) An employee who has waived Option C coverage can elect it, and an employee who has fewer than 5 multiples of Option C can increase the number of multiples, upon his/her marriage or upon acquiring an eligible child. An employee can also elect Option C coverage upon divorce or death of a spouse, if the employee has any eligible children.

(ii) An employee electing or increasing Option C coverage may elect any number of multiples, as long as the total number of multiples does not exceed 5.

(5)(i) Except as stated in paragraph (a)(5)(iii) of this section, the employee must file an election under paragraph (a)(2) or (a)(4) of this section with the employing office, in a manner designated by OPM, along with proof of the event, no later than 60 days following the date of the event that permits the election; the employee may instead file the election before the event and provide proof no later than 60 days following the event.

(ii) This 60-day time limit may be extended if the individual is not serving in a covered position on the date of the event or if the individual separates from covered service prior to the end of the 60-day time limit. This extension cannot exceed the 31-day time limit for electing insurance following employment in a covered position or, for an election under paragraph (a)(4) of this section, the 31-day period following the 1st day on which the individual becomes eligible to cancel a waiver of Basic insurance.

(iii) An employee making an election under paragraph (a)(4)(i) of this section because of acquiring an eligible foster child must file the election with the employing office no later than 60 days after completing the required certification.

(iv) Employees who had a change in family circumstances between October 30, 1998, and April 23, 1999, had until June 23, 1999, to make an election under this section.

(6)(i) The effective date of Option B insurance elected under paragraph (a)(1) of this section is the 1st day the employee actually enters on duty in pay status on or after the day the employing office receives the election.

(ii) The effective date of Option C coverage elected because of marriage, divorce, death of a spouse, or acquiring an eligible child other than a foster child is the day the employing office receives the election, or the date of the event, whichever is later. Exception: Coverage elected under paragraph (a)(5)(iv) of this section was effective April 24, 1999.

(iii) The effective date of Option C coverage elected because of acquiring a foster child is the date the employing office receives the election or the date the employee completes the certification, whichever is later.

(b) *When there is no change in family circumstances.* (1) An employee who has waived Option A or Option B coverage may elect it if:

(i) At least 1 year has passed since the effective date of the waiver, and

(ii) He/she provides satisfactory medical evidence of insurability.

(2) An employee who has Option B coverage of fewer than five multiples of annual pay may increase the number of multiples if:

(i) At least 1 year has passed since the effective date of his/her last election of fewer than five multiples (including a reduction in the number of multiples), and

(ii) He/she provides satisfactory medical evidence of insurability.

(iii) The requirement for at least 1 year to have passed since the effective date of the last election doesn't apply when an employee elected fewer than five multiples because of the limitation under paragraph (a)(3) of this section.

(3) A waiver of Option C cannot be cancelled without a change in family circumstances, unless authorized during an open enrollment period.

(c) OFEGLI reviews the request filed by an employee who has complied with paragraph (b) of this section and decides whether to approve it. The Optional insurance is effective when, after OFEGLI's approval, the employee actually enters on duty in pay status in a position in which he/she is eligible for insurance and files a Life Insurance Election. If the employee doesn't enter on duty in pay status within 31 days following the date of OFEGLI's approval, the approval is automatically revoked and the employee does not have the Optional insurance requested.

(d) If an employee waived Option A insurance on or before February 28, 1981, the waiver was automatically cancelled effective on the 1st day the employee entered on duty in pay status on or after April 1, 1981. Option A was effective on the date of the waiver's cancellation, if the employee filed an election of Option A during the March 1, 1981, through March 31, 1981, open enrollment period. If the employee didn't file the election with his/her employing office during the March 1981 open enrollment period, the employee is considered to have waived Option A on March 31, 1981.

(e) When an employee who has been separated from service for at least 180 days is reinstated on or after April 1, 1981, a previous waiver of Optional insurance is automatically cancelled, as follows:

(1) An employee who returned to service between April 1, 1981, and December 8, 1983, after a 180-day break in service was permitted to elect any form of Optional insurance by applying to his/her employing office before March 7, 1984.

(2) An employee who returns to service after December 8, 1983, following a 180-day break in service may elect any form of Optional insurance by applying to his/her employing office within 31 days after reinstatement. Coverage is effective on the 1st day the employee actually enters on duty in pay status in a position in which he/she is eligible for insurance on or after the date the employing office receives the election.

If the employee doesn't file a Life Insurance Election, in a manner designated by OPM, within the 31-day period, the employee gets whatever Optional insurance coverage he/she had immediately before separating from Federal service and is considered to have waived any other Optional insurance. However, an employee who fails to file during the 31-day period due to reasons beyond his/her control may enroll belatedly under the conditions stated in § 870.504(a)(3).

(f) An annuitant or compensation officer is not eligible to cancel a waiver of any type of Optional insurance or to increase multiples of Option B under this section.

[62 FR 48731, Sept. 17, 1997; 62 FR 52181, Oct. 6, 1997, as amended at 64 FR 16602, Apr. 6, 1999; 64 FR 72462, Dec. 28, 1999]

§ 870.507 Open enrollment periods.

(a) There are no regularly scheduled open enrollment periods for life insurance. Open enrollment periods are held only when specifically scheduled by OPM.

(b) During an open enrollment period, unless OPM announces otherwise, eligible employees may cancel their existing waivers of Basic and/or Optional insurance by electing the insurance in a manner designated by OPM.

(c)(1) OPM sets the effective date for all insurance elected during an open enrollment period. The newly elected insurance is effective on the 1st day of the first pay period which begins on or after the OPM-established date and which follows a pay period during which the employee was in pay and duty status for at least 32 hours, unless OPM announces otherwise.

(2) A part-time employee must be in pay and duty status for one-half the regularly scheduled tour of duty shown on his/her current Standard Form 50 for newly elected coverage to become effective, unless OPM announces otherwise.

(3) An employee who has no regularly scheduled tour of duty or who is employed on an intermittent basis must be in pay and duty status for one-half the hours customarily worked before