

## § 870.508

newly elected coverage can become effective, unless OPM announces otherwise. For the purpose of this paragraph, employing offices can determine the number of hours customarily worked by averaging the number of hours worked in the most recent calendar year quarter prior to the start of the open enrollment period.

(d) Within 6 months after an open enrollment period ends, an employing office may determine that an employee was unable, for reasons beyond his/her control, to cancel an existing waiver by electing to be insured during the open enrollment period. In this case, if the employee wants coverage, he/she must submit an election within 31 days after being notified of the determination. Coverage is retroactive to the first pay period which begins on or after the effective date set by OPM 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. If the employee doesn't file an election within this 31-day time limit, he/she will be considered to have waived coverage.

### § 870.508 Nonpay status.

(a) An employee who is in nonpay status is entitled to continue life insurance for up to 12 months. No premium payments are required, unless the employee is receiving compensation.

(b) If an insured employee who is entitled to free insurance while in nonpay status accepts a temporary appointment to a position in which he/she would normally be excluded from insurance, the insurance continues. The amount of Basic insurance is based on whichever position's salary is higher. Withholdings are made from the employee's pay in the temporary position.

(c) If an insured employee goes on leave without pay (LWOP) to serve as a full-time officer or employee of an employee organization, within 60 days of the start of the LWOP he/she may elect to continue life insurance. The insurance continues for the length of the appointment, even if the LWOP lasts longer than 12 months. The employee must pay to the employing office the full cost of Basic and Optional insurance. There is no Government contribution for these employees.

## 5 CFR Ch. I (1-1-05 Edition)

(d) If an insured employee goes on LWOP while assigned to a State government, local government, or institution of higher education, life insurance continues for the length of the assignment, even if the LWOP lasts longer than 12 months. The employee must pay his/her premiums to the Federal agency on a current basis. The agency must continue to pay its contribution as long as the employee makes his/her payments.

### § 870.509 Transfers to international organizations.

An employee transferred to an international organization may continue life insurance coverage as provided in 5 U.S.C. 3582. Regulations governing these transfers are in part 352 of this title.

## Subpart F—Termination and Conversion

### § 870.601 Termination of Basic insurance.

(a) Except as provided in § 870.701, the Basic insurance of an insured employee stops on the date he/she separates from service, subject to a 31-day extension of coverage.

(b) The Basic insurance of an employee who separates from service after meeting the requirement for an immediate annuity under § 842.204(a)(1) of this title and who postpones receiving the annuity, as provided by § 842.204(c) of this title, stops on the date he/she separates from service, subject to a 31-day extension of coverage.

(c) The Basic insurance of an insured employee who moves without a break in service to a position in which he/she is excluded from life insurance stops on his/her last day in the former position, subject to a 31-day extension of coverage.

(d)(1) Except as provided in § 870.701, the Basic insurance of an insured employee who is in nonpay status stops on the date the employee completes 12 months in nonpay status, subject to a 31-day extension of coverage. The 12 months' nonpay status may be broken by periods of less than 4 consecutive months in pay status. If an employee has at least 4 consecutive months in

pay status after a period of nonpay status, he/she is entitled to begin the 12 months' continuation of Basic insurance again. If an employee has used up his/her 12 months' continuation in nonpay status and returns to duty for less than 4 consecutive months, his/her Basic insurance stops on the 32nd day after the last day of the last pay period in pay status.

(2) For the purpose of paragraph (d)(1) of this section, 4 consecutive months in pay status means any 4-month period during which the employee is in pay status for at least part of each pay period.

(3) For the purpose of paragraph (d)(1) of this section, an individual who is entitled to benefits under part 353 of this chapter is considered to be an employee in nonpay status.

(e) Except for employees, annuitants, and compensationers who elect direct payment as provided in §870.405 of this part, Basic insurance stops, subject to a 31-day extension of coverage, at the end of the pay period in which the employing office or retirement system determines that an individual's periodic pay, annuity, or compensation, after all other deductions, is not enough to cover the full cost of Basic insurance.

[62 FR 48731, Sept. 17, 1997, as amended at 64 FR 72463, Dec. 28, 1999]

#### § 870.602 Termination of Optional insurance.

(a)(1) The Optional insurance of an insured employee stops when his/her Basic insurance stops, subject to the same 31-day extension of coverage.

(2) An employee who meets the requirements for portability, as provided in subpart L of this part, may elect portability for his/her Option B coverage, instead of having it terminate.

(b) The Optional insurance of an employee who separates from service after meeting the requirement for an immediate annuity under §842.204(a)(1) of this title and who postpones receiving the annuity, as provided by §842.204(c) of this title, stops on the date he/she separates from service, subject to a 31-day extension of coverage.

(c)(1) If an insured employee is not eligible to continue Optional coverage as an annuitant or compensationer as provided by §870.701, the Optional in-

surance stops on the date that his/her Basic insurance is continued or reinstated under the provisions of §870.701, subject to a 31-day extension of coverage.

(2) A compensationer who meets the requirements for portability, as provided in subpart L of this part, may elect portability for his/her Option B coverage, instead of having it terminate.

(d) If, at the time of an individual's election of Basic insurance during receipt of annuity or compensation, he/she elects no Basic life insurance as provided by §870.702(a)(1), the Optional insurance stops at the end of the month in which the election is received in OPM, subject to a 31-day extension of coverage.

(e) Except for employees, annuitants, and compensationers who elect direct payment as provided in §870.405 of this part, Optional insurance stops, subject to a 31-day extension of coverage, at the end of the pay period in which the employing office or retirement system determines that an individual's periodic pay, annuity, or compensation, after all other deductions, is not enough to cover the full cost of the Optional insurance. If an individual has more than one type of Optional insurance and his/her pay, annuity, or compensation is sufficient to cover some but not all of the insurance, the multiples of Option C terminate first, followed by Option A, and then the multiples of Option B.

[62 FR 48731, Sept. 17, 1997, as amended at 64 FR 72463, Dec. 28, 1999]

#### § 870.603 Conversion of Basic and Optional insurance.

(a)(1) When group coverage terminates for any reason other than voluntary cancellation, an employee may apply to convert all or any part of his/her Basic and Optional insurance to an individual policy; no medical examination is required. The premiums for the individual policy are based on the employee's age and class of risk. An employee is eligible to convert the policy only if he/she doesn't return, within 3 calendar days from the terminating event, to a position covered under the group plan. If insurance has been assigned under subpart I of this part, it is