

**Subpart B—Types and Amount of Insurance**

**§ 870.201 Types of insurance.**

(a) There are two types of life insurance under the FEGLI Program: Basic and Optional.

(b) There are three types of Optional insurance: Option A (standard optional insurance), Option B (additional optional insurance), and Option C (family optional insurance).

**§ 870.202 Basic insurance amount (BIA).**

(a)(1) An employee's Basic insurance amount (BIA) is either:

(i) His/her annual rate of basic pay, rounded to the next higher thousand, plus \$2,000; or

(ii) \$10,000; whichever is higher, unless an employee has elected a Living Benefit under subpart K of this part. Effective for pay periods beginning on or after October 30, 1998, there is no maximum BIA.

(2) The BIA of an individual who is eligible to continue Basic Life insurance coverage as an annuitant or compensationner is the BIA in effect at the time his/her insurance as an employee would stop under § 870.601.

(b) An employee's BIA automatically changes whenever annual pay is increased or decreased by an amount sufficient to raise or lower pay to a different \$1,000 bracket, unless the employee has elected a Living Benefit under subpart K of this part.

(c) The amount of an employee's Basic Life insurance coverage is equal to his/her BIA multiplied by the appropriate factor based on the employee's age, as follows:

Age	Factor
35 or under .....	2.0
36 .....	1.9
37 .....	1.8
38 .....	1.7
39 .....	1.6
40 .....	1.5
41 .....	1.4
42 .....	1.3
43 .....	1.2
44 .....	1.1
45 or over .....	1.0

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**§ 870.203 Post-election BIA.**

(a) The BIA of an individual who elects a Living Benefit under subpart K of this part is the amount of insurance left after the effective date of the Living Benefit election. This amount is the individual's post-election BIA.

(1) The post-election BIA of an individual who elects a full Living Benefit is 0.

(2) The post-election BIA of an employee who elects a partial Living Benefit is the BIA as of the date OFEGLI receives the completed Living Benefit application (the "pre-election" BIA), reduced by the percentage which the partial lump-sum payment represents of the full Living Benefit payment the employee could have received if he/she elected a full Living Benefit; this amount is rounded up or down to the nearest multiple of \$1,000 or, if midway between multiples, to the next higher multiple.

(b) The post-election BIA cannot change after the effective date of the Living Benefit election.

(c) For purposes of computing the payment of benefits upon the death of an insured individual who elected a partial Living Benefit, the post-election BIA will be multiplied by the age factor in effect on the date OFEGLI received the completed Living Benefit application.

**§ 870.204 Annual rates of pay.**

(a) (1) An insured employee's annual pay is his/her annual rate of basic pay as fixed by law or regulation.

(2) Annual pay for this purpose includes the following:

(i) Interim geographic adjustments and locality-based comparability payments as provided by Pub. L. 101-509 (104 Stat. 1479);

(ii) Premium pay for standby duty under 5 U.S.C. 5545(c)(1);

(iii) Premium pay for overtime inspectional service for customs officers as provided by Pub. L. 103-66 (107 Stat. 453);

(iv) For a law enforcement officer as defined under 5 U.S.C. 8331(20) and §§ 831.902 and 842.802 of this title, premium pay for administratively uncontrollable overtime under 5 U.S.C. 5545(c)(2);