

**§ 870.303**

**5 CFR Ch. I (1-1-01 Edition)**

break in service of no more than 3 days;

- (ii) An acting postmaster;
- (iii) A Presidential appointee appointed to fill an unexpired term; and
- (iv) Certain employees who receive provisional appointments as defined in § 316.403 of this title.

(2) An employee who is employed for an uncertain or purely temporary period, who is employed for brief periods at intervals, or who is expected to work less than 6 months in each year. Exception: An employee who is employed under an OPM-approved career-related work-study program under Schedule B lasting at least 1 year and who is expected to be in pay status for at least one-third of the total period of time from the date of the first appointment to the completion of the work-study program.

(3) An intermittent employee (a non-full-time employee without a regularly scheduled tour of duty). Exception: An employee whose intermittent appointment follows, with no break in service or with a break in service of no more than 3 days, a position in which he/she was insured and to which he/she is expected to return.

(4) An employee whose pay, on an annual basis, is \$12 a year or less.

(5) A beneficiary or patient employee in a Government hospital or home.

(6) An employee paid on a contract or fee basis. Exception: an employee who is a United States citizen, who is appointed by a contract between the employee and the Federal employing authority which requires his/her personal service, and who is paid on the basis of units of time.

(7) An employee paid on a piecework basis. Exception: An employee whose work schedule provides for full-time or part-time service with a regularly scheduled tour of duty.

(c) OPM makes the final determination about whether the above categories apply to a specific employee or group of employees.

[62 FR 48731, Sept. 17, 1997, as amended at 64 FR 15289, Mar. 31, 1999]

**§ 870.303 Eligibility of foster children under Option C.**

(a) Effective October 30, 1998, foster children are eligible for coverage as family members under Option C.

(b) To qualify for coverage as a foster child, the child must meet the following requirements:

(1) The child must live with the insured employee, annuitant, or compensationner;

(2) The parent-child relationship (as defined in § 870.101) must be with the insured employee, annuitant, or compensationner, not the biological parent;

(3) The employee, annuitant, or compensationner must be the primary source of financial support for the child; and

(4) The employee, annuitant, or compensationner must expect to raise the child to adulthood.

(c) A child placed in an insured individual's home by a welfare or social service agency under an agreement by which the agency retains control of the child or pays for maintenance does not qualify as a foster child.

(d)(1) An insured individual wishing to cover a foster child must sign a certification stating that the child meets all the requirements and that he/she will notify the employing office or retirement system if the child marries, moves out of the home, or stops being financially dependent on the employee, annuitant, or compensationner.

(2) The employing office or retirement system must keep the signed certification in the insured individual's file, along with other life insurance forms.

(e) A foster child who moves out of the insured individual's home to live with a biological parent loses eligibility and cannot again be covered as a foster child unless:

(1) The biological parent dies;

(2) The biological parent is imprisoned;

(3) The biological parent becomes unable to care for the child due to a disability; or

(4) The employee, annuitant, or compensationner obtains a court order

taking parental responsibility away from the biological parent.

[64 FR 72461, Dec. 28, 1999]

### Subpart D—Cost of Insurance

#### § 870.401 Withholdings and contributions for Basic insurance.

(a) The cost of Basic insurance is shared between the insured individual and the Government. The employee pays two thirds of the cost, and the Government pays one-third.

(b)(1) During each pay period in which an insured employee is in pay status for any part of the period, \$0.1550 must be withheld from the employee's biweekly pay for each \$1,000 of the employee's BIA. The amount withheld from the pay of an employee who is paid on other than a biweekly basis must be prorated and adjusted to the nearest one-tenth of one cent.

(2) The amount withheld from the pay of an insured employee whose annual pay is paid during a period shorter than 52 work weeks is the amount obtained by converting the biweekly rate to an annual rate and prorating the annual rate over the number of installments of pay regularly paid during the year.

(3) The amount withheld from the pay of an insured employee whose BIA changes during a pay period is based on the BIA in force at the end of the pay period.

(c) For each pay period in which an employee is insured, the employing agency must contribute an amount equal to one-half the amount withheld from the employee's pay. This agency contribution must come from the appropriation or fund that is used for the payment of the employee's pay. For an elected official, the contribution must come from the appropriation or fund that is available for payment of other salaries in the same office.

(d)(1) For an annuitant who elects to continue Basic insurance and chooses the maximum reduction of 75 percent after age 65, under § 870.702(a)(2), the amount withheld monthly is \$0.3358 for each \$1,000 of the BIA. For a compensationner who makes this election, the amount withheld weekly is \$0.0775 for each \$1,000. These withholdings stop the month after the

month in which the annuitant reaches age 65. There are no withholdings from individuals who retired or began receiving compensation before January 1, 1990, and who elected the 75 percent reduction. For the purpose of this paragraph, an individual who separates from service after meeting the requirements for an immediate annuity under 5 U.S.C. 8412(g) is considered to retire on the day before the annuity begins.

(2) For an annuitant who elects to continue Basic insurance and chooses the maximum reduction of 50 percent after age 65 under § 870.702(a)(3), the amount withheld monthly is \$0.9258 for each \$1,000 of the BIA until the month after the month in which the annuitant reaches age 65; the amount is then reduced to \$0.59 for each \$1,000. For a compensationner who makes this election, the amount withheld weekly is \$0.2175 for each \$1,000 of the BIA until age 65; the amount is then reduced to \$0.14 for each \$1,000.

(3) For an annuitant who elects to continue Basic insurance and chooses no reduction after age 65 under § 870.702(a)(4), the amount withheld monthly is \$2.3758 for each \$1,000 of the BIA until the month after the month in which the annuitant reaches age 65; the amount is then reduced to \$2.04 for each \$1,000. For a compensationner who makes this election, the amount withheld weekly is \$0.5475 for each \$1,000 of the BIA until age 65; the amount is then reduced to \$0.47 for each \$1,000.

(e)(1) For each period in which an annuitant or compensationner is insured, OPM must contribute an amount equal to one-half the amount that would be withheld under paragraph (d)(1) of this section. Exception: for USPS employees who become annuitants or compensationners after December 31, 1989, the Postal Service pays the Government contributions.

(2) The Government contribution is the same amount whether the individual elects a maximum 75 percent reduction, a maximum 50 percent reduction, or no reduction.

(3) The Government contribution stops the month after the month in which the individual reaches age 65.

(f) When an agency withholds less than or none of the proper amount of Basic life insurance deductions from an