

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 compensationeer 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 newly elected coverage can become effective, unless OPM announces otherwise. For the purpose of this para-

graph, 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.

(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 sta-

tus, 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 insurance stops on the date that his/her