



## Continuation of Life Insurance Coverage

As an Annuitant or Compensationier

Federal Employees' Group Life Insurance (FEGLI) Program

### Instructions for Completing this SF 2818

- Read these instructions carefully.
- Complete this form when you retire or when you are receiving compensation payments from the Office of Workers' Compensation Programs (Department of Labor) and your FEGLI coverage as an employee ends.
- Be sure to sign all four signature blocks.
- Detach and keep these instructions for your records.
- Return the completed form to your human resources office (HRO).
- The premiums shown on this form may change.
- "You" means the insured employee. "We" and "us" mean the Office of Personnel Management (OPM) or your retirement system, if OPM is not your retirement system.

## 1. Basic Insurance

### What is Basic insurance?

That is the coverage equal to your annual basic pay, rounded up to the next \$1,000, plus \$2,000 (or a minimum of \$10,000).

### Will I have Basic insurance in retirement?

If you are *eligible* and want to carry Basic insurance in retirement, you must mark "Yes" in Item 7. If you mark "No" in Item 7, you will not have any insurance in retirement.

You cannot elect life insurance as an annuitant.

### Who is eligible?

You are eligible to have Basic insurance in retirement if: (1) you retire on an immediate annuity; (2) you were enrolled in Basic insurance for the five years of service immediately before your annuity began or for all opportunities during which it was available to you, if enrolled less than five years; (3) you or the assignee(s), if applicable, do not cancel the coverage; (4) you or the assignee(s) do not convert it to an individual policy; and (5) you did not receive a full Living Benefit. See page 3 for information on compensationers, assignments and Living Benefits.

### How much Basic insurance will I have?

The amount of your Basic insurance will depend on your final annual basic pay, your age, your choice of reduction in Item 8, and whether you elected a Living Benefit. See page 3 for information on Living Benefits.

Your Basic insurance in retirement is equal to your final annual basic pay, rounded up to the next \$1,000, plus \$2,000 (or a minimum of \$10,000). This amount continues until you reach age 65. If you are under age 45, you have an Extra Benefit (see below). Your Basic insurance will reduce after you retire and turn age 65, unless you elect No Reduction in Item 8.

### What is the Extra Benefit?

The Extra Benefit doubles the amount of Basic insurance payable if you die at age 35 or younger. Beginning on your 36th birthday, the Extra Benefit decreases by 10% each year. If you die at age 45 or older, there is no Extra Benefit. You do not pay for the Extra Benefit.

### What if I don't want Basic insurance in retirement?

If you don't want to have Basic insurance in retirement and you have not assigned your coverage, mark "No" in Item 7. Do *not* file a *Life Insurance Election* (SF 2817). You will not have *any* life insurance in retirement, but you will be insured for 31 days after your life insurance coverage as an employee stops. You can convert to private coverage.

### Will I have accidental death and dismemberment coverage in retirement?

No. Accidental death and dismemberment coverage stops when your life insurance as an employee stops.

### Will my Basic insurance reduce?

It depends. If you are eligible and choose to have Basic insurance in retirement, you can choose either 75% Reduction, 50% Reduction or No Reduction in Item 8.

#### • What is 75% Reduction?

This means that your Basic insurance will reduce by a fixed amount each month, equal to 2% of the amount of Basic insurance you carried into retirement. Your Basic insurance will continue to reduce until 25% of the original amount remains. You do not pay an extra premium for this choice.

#### • What is 50% Reduction?

This means that your Basic insurance will reduce by a fixed amount each month, equal to 1% of the amount of Basic insurance you carried into retirement. Your Basic insurance will continue to reduce until 50% of the original amount remains. You pay an extra premium for this choice.

#### • What is No Reduction?

This means that your Basic insurance will not reduce. You pay an extra premium for this choice.

### When do reductions begin?

If you elect 75% Reduction or 50% Reduction in Item 8, your Basic insurance begins to reduce on the first day of the second month after you reach age 65 or on the first day of the second month after you retire, whichever is later.

### What do I pay?

As an annuitant, you will pay the same regular Basic premium, monthly, that active employees pay, until you reach age 65. You probably paid a biweekly premium as an employee. You stop paying the regular premium on the first day of the month after you reach age 65. If you retire after turning 65, you will never pay the regular premium in retirement. If you choose 50% Reduction or No Reduction, you must pay an extra premium. You continue to pay the extra premium for life or until you cancel the coverage or change to 75% Reduction. See the Basic Insurance table on page 4.

### What if I want to change my reduction election?

You have 30 days from the date you receive your first regular monthly annuity check to change your reduction election. Write to us and tell us what you want to change. After that time, you or the assignee(s), if applicable, may only change to 75% Reduction and not to 50% Reduction or No Reduction. If you or the assignee(s), if applicable, change to 75% Reduction, we will compute the amount of your Basic as if you had originally elected 75% Reduction. Premiums will stop and you will *not* receive a refund of premiums you already paid.



## 2. Optional Insurance

### **What is Optional insurance?**

There are three types of Optional insurance. Option A (Standard) equals \$10,000. Option B (Additional) equals 1 to 5 multiples of your annual basic pay, after rounding your pay up to the next \$1,000. Option C (Family) is 1 to 5 multiples of coverage for your spouse and eligible children. Each Option C multiple equals \$5,000 for your spouse and \$2,500 for each of your eligible children.

### **Will I have Optional insurance in retirement?**

If you are *eligible* and want to carry Option A and/or Option B and/or Option C in retirement, you must mark "**Yes**" and sign for that coverage. If you mark "**No**", you will not have that coverage in retirement.

You cannot elect life insurance as an annuitant.

### **Who is eligible?**

You are eligible to have Optional insurance in retirement if: (1) you continue your Basic insurance in retirement (employees who received a full Living Benefit are exempt from this requirement), (2) you were enrolled in the option for the five years of service immediately before your annuity began or for all opportunities during which it was available to you, if enrolled less than five years; (3) you or the assignee(s), if applicable, do not convert it to an individual policy; and (4) you or the assignees(s), if applicable, do not cancel it. See page 3 for information on compensationers.

### **How much Option A will I have?**

If you are eligible to have Option A in retirement and choose "**Yes**" in Item 9, you will have \$10,000 of Option A coverage.

### **How much Option B will I have?**

If you are eligible to have Option B in retirement and choose "**Yes**" in Item 10, your Option B will equal your annual basic pay at retirement, rounded up to the next higher \$1,000, multiplied by the lower of (1) the number of multiples you are eligible to continue; or (2) the number of multiples you elect to continue in Item 11.

### **How much Option C will I have?**

If you are eligible to have Option C in retirement and choose "**Yes**" in Item 13, your Option C will be the lower of (1) the number of multiples you are eligible to continue; or (2) the number of multiples you elect to continue in Item 14; multiplied by \$5,000 (for your spouse) and \$2,500 (for each of your eligible children).

### **How many multiples of Option B and/or Option C can I have?**

You may have up to the number of multiples you had during:

- the 5 years of service immediately before your annuity began, or
- all service during which those multiples were available to you, if enrolled less than 5 years.

### **What if I elect to have more multiples of Option B and/or Option C than I'm eligible to have?**

You will have whichever number is *lower* - the number you *elect* to continue *or* the number you are *eligible* to continue.

### **What if I don't want Optional insurance in retirement?**

If you don't want to have an option in retirement, and you have not assigned your coverage, mark "**No**" in Item 9 for Option A, Item 10 for Option B and/or Item 13 for Option C. Do *not* file a *Life Insurance Election* (SF 2817). You will not have that option in retirement, but you will have it for 31 days after your life insurance coverage as an employee stops. You can convert to private coverage.

### **Will my Option A reduce?**

Yes. You do not have a choice. Option A reduces on the first day of the second month after you reach age 65 or the first day of the second month after you retire, whichever is later. Each month the amount reduces by another \$200. Reductions stop when Option A reaches \$2,500.

### **Will I have accidental death and dismemberment coverage for Option A in retirement?**

No, you will not. Accidental death and dismemberment coverage stops when your life insurance as an employee stops.

### **What do I pay for Option A?**

As an annuitant you will pay the same premium, monthly, that active employees pay, based on your age. You probably paid a biweekly premium as an employee.

Option A is free starting on the first day of the month after you reach age 65 or starting at retirement if you retire after turning age 65. See the Optional Insurance table on page 4.

### **Will my Option B and/or Option C reduce?**

It depends on what you choose now in Item 12 and Item 15, and what you choose later when you receive the second election opportunity.

Now, you may choose Full Reduction or No Reduction. You cannot mix and match multiples - you have to choose either Full Reduction or No Reduction for all multiples of the same option. But you can choose something different for Option B than for Option C. Later you can mix and match multiples (see below).

- **What is Full Reduction?**

This means that your coverage will reduce by a fixed amount each month, equal to 2 percent of the original amount, for 50 months, at which time coverage will end. Reductions start on the first day of the second month after you reach age 65 or the first day of the second month after you retire, if later. Coverage is free starting on the first day of the month after you turn age 65.

- **What is No Reduction?**

This means that your coverage will not reduce. You will continue to pay premiums for the rest of your life, or until you cancel the insurance or change to Full Reduction.

### **Will I receive a second election opportunity for Option B and/or Option C?**

Yes. We will send you a letter shortly before you turn age 65, or shortly after you retire (if you retire after age 65). At that time, you can mix and match multiples - you can choose to have some of your Option B and/or Option C multiples reduce and have some not reduce. If you assigned your life insurance, see page 3 for more information.

### **Can I change my mind before receiving the second election opportunity?**

Yes. You can write to us at any time before age 65 and change from Full Reduction to No Reduction or vice versa (unless you assigned your coverage, in which case only the assignee(s) can change to Full Reduction). After reductions start, neither you nor the assignee(s), if applicable, can change from Full Reduction to No Reduction.

### **What do I pay for Options B and C?**

As an annuitant, you will pay the same premium, monthly, that active employees pay, based on your age and the number of multiples you have in retirement. You probably paid a biweekly premium as an employee.

For Full Reduction multiples, coverage is free to you starting on the first day of the month after you reach age 65 or starting at retirement if you retire after turning age 65. For No Reduction multiples, you will continue to pay premiums for the rest of your life, or until you cancel the insurance or change to Full Reduction.

### 3. General Information

#### **Who can sign this form?**

Only you, the insured employee, may sign this form. The signature of an assignee, a guardian, conservator or other fiduciary (including, but not limited to, those acting according to a Power of Attorney or a Durable Power of Attorney) is *not* acceptable.

#### **When does my life insurance coverage as an employee stop?**

It stops on the earliest of the date you resign, separate for retirement, or end 12 months in nonpay status.

#### **What if I don't make a choice for one or more coverages or I don't file this form at all?**

Then, if you are eligible to continue the insurance in retirement, you will have the default selection(s). For Basic insurance, that means 75% Reduction. For Option A, that means having it in retirement (it reduces automatically). For Options B and C, that means Full Reduction for all multiples you are eligible to have in retirement.

To avoid confusion, please complete the entire form, as applicable, and return it to your human resources office.

#### **Can I stop my FEGLI insurance later?**

After you file this form, you (or the assignee(s), if applicable) can cancel any or all life insurance coverage at any time, by writing to us. If you cancel Basic insurance, you will cancel all Optional insurance too. The cancellation will be effective at the end of the month in which your retirement system receives your letter. You will not be entitled to a refund of premiums, and you cannot get the coverage back. You cannot convert the cancelled coverage.

#### **What if I am receiving Workers' Compensation benefits?**

All of the information in these instructions applies to compensation and compensationers, with *one exception*. To be eligible to have life insurance coverage as a compensationer, you must meet the 5 year/all opportunity requirement as of the date you became eligible for compensation. The Office of Workers' Compensation Programs will withhold applicable premiums from your compensation benefits.

If you are eligible to continue coverage as a compensationer, you have the same choices for reduction as if you were retiring.

If the Department of Labor finds you are capable of returning to work, your life insurance coverage as a compensationer will stop. This is still true even if you don't return to work and even if you receive partial compensation payments. If you return to work in a position eligible for FEGLI coverage, you will get life insurance coverage as an employee.

The amounts of Option A and Option C for compensationers are the same as for retiring employees. The amount of your Basic insurance and Option B is based on your annual basic pay at the time your insurance as an employee ended (at separation or the end of 12 months of nonpay status, whichever came first).

We cannot reinstate any insurance you cancel while receiving compensation.

#### **What if I assigned my coverage?**

Assignment means giving a person, firm or trust the ownership and control of your life insurance coverage (except Option C), generally by using an RI 76-10 *Assignment* form.

You complete this form (SF 2818). Assignees do not.

If you assigned your life insurance coverage, you *cannot* stop your Basic, Option A or Option B by marking "*No*" in items 7, 9, or 10. You must choose "*Yes*".

If you assigned your life insurance coverage, you elect the Basic insurance reduction (75%, 50% or No Reduction) and the Option B and Option C reduction (Full Reduction or No Reduction). However, only the assignee(s) can later change the Basic reduction to 75% and the Option B reduction to Full Reduction. You cannot.

#### **What if I received a Living Benefit?**

If you received a *full* Living Benefit, you no longer have any Basic insurance benefits. There is no Basic insurance to continue into retirement. Check "I received a full Living Benefit" in Item 7. Leave Item 8 blank. You may still continue Optional insurance.

If you received a *partial* Living Benefit, your Basic insurance remains the same as it was after your Living Benefit election. If you want to have Basic in retirement, you must check "No Reduction" in Item 8.

#### **Privacy Act Statement**

Chapter 87, title 5, U.S. Code, Federal Employees' Group Life Insurance, authorizes the solicitation of this information. The Office of Personnel Management will use the data you furnish to determine the amount of life insurance coverage you will have in retirement or as a compensationer. This information may be shared and is subject to verification, via paper, electronic media, or through the use of computer matching programs, with national, state, local or other charitable or social security administrative agencies in order to determine benefits under their programs or to obtain information necessary for determination or continuation of benefits under this program.

It may also be shared and verified, as noted above, with law enforcement agencies when they are investigating a violation or potential violation of the civil or criminal law. Public Law 104-134 (April 26, 1996) requires that any person doing business with the Federal government furnish a Social Security number or tax identification number. This is an amendment to title 31, Section 7701. If you don't furnish the requested information, you may not have the level of insurance protection you want.

## Basic Insurance Monthly Cost In Retirement

Full Coverage to age 65, then:	Monthly Cost Per \$1,000 of Your Basic Insurance Amount <sup>1</sup>			
	<i>Before You Reach Age 65 You Pay the TOTAL of BOTH the Regular Premium and the Extra Premium</i>			<i>After You Reach Age 65,<sup>2</sup> Continuing for Life</i>
	Regular Premium	Extra Premium for 50% or No Reduction	Total Cost	
<b>75% Reduction</b> - reduces two percent of the BIA <sup>1</sup> per month after you reach age 65 <sup>3</sup> until 25% of the amount at retirement remains.	\$0.3358 per \$1,000	Nothing	\$0.3358 per \$1,000	Nothing
<b>50% Reduction</b> - reduces one percent of the BIA <sup>1</sup> per month after you reach age 65 <sup>3</sup> until 50% of the amount at retirement remains.	\$0.3358 per \$1,000	\$0.59 per \$1,000	\$0.9258 per \$1,000	\$0.59 per \$1,000
<b>No Reduction</b> - 100% of the BIA <sup>1</sup> remains for life.	\$0.3358 per \$1,000	\$2.04 per \$1,000	\$2.3758 per \$1,000	\$2.04 per \$1,000

<sup>1</sup> Basic Insurance Amount (BIA) - Your final annual basic pay, rounded up to the next higher \$1,000, plus \$2,000 (or a minimum of \$10,000) (or the post-election BIA you had after your election of a partial Living Benefit). Your BIA does not include the Extra Benefit or Accidental Death and Dismemberment coverage.

<sup>2</sup> We automatically stop the regular premium on the first day of the month after you reach age 65. If you retire after reaching age 65, you do not pay the regular premium.

<sup>3</sup> The reductions start the first day of the second month after you reach age 65, or the first day of the second month after you retire, if later.

**Premiums May Change**

## Optional Insurance Monthly Cost In Retirement

Your Age Group	Option A	Option B		Option C	
	<i>Total</i>	<i>Per \$1,000 insurance</i>		<i>Per Multiple</i>	
		Full Reduction	No Reduction	Full Reduction	No Reduction
Under 35	\$ 0.65	\$0.065	\$0.065	\$0.59	\$0.59
35 through 39	0.87	0.087	0.087	0.74	0.74
40 through 44	1.30	0.130	0.130	1.00	1.00
45 through 49	1.95	0.217	0.217	1.30	1.30
50 through 54	3.03	0.325	0.325	1.95	1.95
55 through 59	5.85	0.672	0.672	3.14	3.14
60 through 64	13.00	1.517	1.517	5.63	5.63
65 through 69	Free	Free	1.517	Free	6.50
70 and over	Free	Free	1.517	Free	7.37

**Premiums May Change**

**Note:** Compensationers pay premiums every 4 weeks, rather than every month. Therefore, although the annual total is the same, their 4-week premiums will be slightly less than the monthly premiums in these tables.