Questions and Answers

1. What is PL 110-181?

Public Law 110-181, the Department of Homeland Security Appropriations Act, enacted, January 28, 2008, authorizes the continuation of FEGLI coverage for an additional 12 months for Federal employees called to active duty.

Currently, if an insured employee is in nonpay status while on active duty, FEGLI coverage continues at no cost to the employee for 12 months. The new law allows coverage for an additional 12 months. However, employees must pay both the employee and agency share of the premiums for their Basic coverage, and also pay the entire cost for any Optional insurance they may have for the additional 12 months of coverage.

2. Does This Rule Apply To All Employees?

No. It only applies to employees enrolled in FEGLI who are called up to active duty military service.

3. What Happens To My Life Insurance If I Am Called-Up To Active Duty?

The law allows employees who enter on active duty or active duty for training in one of the uniformed services for more than 30 days to continue their FEGLI for up to 24 months. FEGLI coverage is free for the first 12 months. However, employees must pay both the employee and agency share of the premiums for their Basic coverage, and also pay the entire cost (there is no agency share) for any Optional insurance they may have for the additional 12 months of coverage.

4. What Do Employees Have To Do To Continue Coverage For An Additional 12 Months?

Affected employees will receive a notice from their agencies giving them the opportunity to elect to continue coverage for the additional 12 months. Notices will be sent out after the agency has been notified that an employee has been called up to active duty. If employees wish to continue coverage, they **must indicate** their election on the notice, and return it to the employing office. Employees may make their elections at any time before the end of their first 12 months in nonpay status.

5. What Happens If An Employee Does Not Want To Continue Coverage?

Employees who do not wish to continue coverage should submit the notice indicating their election for coverage to terminate at the end of 12 months in nonpay status. FEGLI coverage will continue at no cost to the employee for 12 months from the date the employee entered nonpay status, after which it will terminate, subject to the 31-day extension of coverage and the right to convert to an individual policy.

6. **What Happens If The Employee Elects To Continue Coverage?**

Whereas employees receive the first 12 months of coverage free, employees who elect to continue FEGLI coverage for the additional 12 months must agree to pay both the employee and agency shares of premiums for Basic coverage and the entire premium for any Optional coverage for the additional 12 months of coverage.

7. **What Happens If An Employee Elects To Continue Coverage But Fails To Pay The First Required Premium Payment?**

If an employee submits the notice and election form and elects to continue coverage but fails to pay the first required premium, coverage will not be continued and will terminate effective at the end of 12 months subject to the 31-day extension of coverage and the right to convert. The agency should issue the SF 2821 "Agency Certification of Insurance Status" and the SF 2819 "Notice of Conversion Privilege."

8. **What If Employees Converted Their FEGLI Coverage To An Individual Policy Before Enactment Of The New Law And Now Want To Take Advantage Of This New Provision?**

Employees who have already converted before the law was passed are not eligible for this new opportunity to continue FEGLI for an additional 12 months. The new provision applies ONLY to employees called to active military duty who currently have coverage under the FEGLI Program.

9. **What Happens At The End Of The Second 12 Months In Nonpay Status?**

Employees whose coverage terminates at the end of the second 12 months in nonpay status will have a 31-day extension of coverage with the right to convert to an individual policy.

10. **How Long Do Employees Have To Elect Coverage?**

Employees who have continued coverage for the initial 12 months in nonpay status may make their election to extend coverage for the additional 12 months at any time before the end of the first 12 months.

11. **What Do Employees Need To Do To Cancel Or Reduce Coverage During The Second 12 Months?**

Employees who elected to continue coverage during the second 12 months and then wish to stop or reduce coverage must notify their agencies in writing. Notification should not be made on the SF 2817 "Life Insurance Election," because this written request to end coverage only applies to coverage during the 24 –month nonpay period.

12. What Is The Effective Date Of Termination If Employees Choose To Cancel Or Reduce Coverage After Electing To Continue It For The Second 12 Months In Nonpay Status?

Termination is effective at the end of the pay period in which the agency receives the notice from the employee to cancel some or all of their coverage. For failure to make payment, coverage ends at the end of the last pay period for which payment was received. The agency should provide the SF 2821 "Agency Certification of Insurance Status" and SF 2819 "Notice of Conversion Privilege."

13. Is There A Provision To Cover Agency Administrative Costs To Administer This New Provision Of Law?

No. The law contains no such provision.

14. Does This New Provision Of Law Apply Only To Employees Called Up In Support Of A "Contingency Operation?"

No. This provision applies to all employees called up to active duty.

15. Can An Employee Submit The Notice And Election Form After The First 12 Months Of Fegli Has Terminated?

No. The employee must elect to continue the coverage for the additional 12 months before FEGLI coverage terminates at the end of the first 12 months in nonpay status.

16. How Do Agencies Administer This Provision For Employees Who *Separate* To Enter Active Military Duty?

Employees who separate from their agency to enter into active duty service are considered to be in nonpay status for FEGLI purposes, as long as they have reemployment rights under USERRA. Therefore it is still that agency's responsibility to administer this new provision of law. Agencies must have a mechanism in place to collect premiums from separated employees.

17. Must Agencies Send Employees Reminder Notices Regarding The Opportunity To Continue Coverage For An Additional 12 Months After The First 12 Months In Nonpay Status?

Agencies are not required to send reminder notices to such employees since they should have already notified the employees. However, since agencies are required to notify employees of the end of their first 12 months in nonpay status, they may wish to include a reminder to those affected by the new provision of the opportunity to continue coverage for an additional 12 months if they have not already made an election to do so.

18. What Happens When Employees Return To Work?

When employees return to work in a pay and duty status, FEGLI coverage will be reinstated at the same level continued into nonpay status. If the employee declines to continue coverage for the additional 12 months, reduces or cancels the coverage during the additional 12 months, or allows coverage to terminate due to non-payment during the additional 12 months, and then returns to pay and duty status, the terminated coverage will be reinstated at the same level in place when the employee first entered nonpay status or separated for military service. When the employee returns to pay and duty status, agencies should carefully review FEGLI coverage history to ensure this original coverage is reinstated correctly. The employee is not given an opportunity to elect more coverage unless he or she has been ***separated*** from service for at least 180 days.

19. What Happens To Life Insurance If Employee Is Sent To A "Combat Zone" In A Support Capacity?

Being sent to a combat zone does NOT cancel or affect the amount of FEGLI coverage. Civilian employees who are sent to a war zone or combat zone in a support capacity keep their FEGLI coverage, including Accidental Death & Dismemberment (AD&D) coverage.

If a Federal employee working in a war zone is killed, "regular" death benefits are payable to the employee's beneficiaries. Accidental death benefits are also payable under Basic insurance (and Option A, if the employee had that coverage) unless the employee was in actual combat (or unless nuclear weapons were being used) at the time of the injury that caused the employee's death. The Office of Federal Employees' Group Life Insurance (OFEGLI) decides whether to pay accidental death benefits only after thoroughly studying the facts and documentation surrounding an employee's death. The determination is made on a case by case basis. While we cannot say that in 100% of civilian deaths AD&D benefits will be payable, we can say that it is highly unlikely for a civilian to be in actual combat.

Accidental death benefits are in addition to regular death benefits. Even if accidental death benefits are not payable, regular death benefits **ARE** payable.