



**Retirement and Insurance Service
Benefits Administration Letter**

Number: 99-212

Date: July 30, 1999

Subject: Federal Employees- Group Life Insurance: More Changes

GENERAL INFORMATION

Background

Pub. L. 105-311, the Federal Employees Life Insurance Improvement Act, enacted October 30, 1998, increased the amount of coverage available under Option C. We issued Benefits Administration Letter (BAL) 99-203 on February 9, 1999, to provide guidance on the changes to Option C.

Pub. L. 105-311 created a 3-year demonstration project for the portability of Option B. BAL 99-210, issued April 29, 1999, provided instructions for implementing portability and transmitted a Portability Notice for agencies and employees to use until the new form (SF 2825) is ready.

Purpose

The purpose of this BAL is to change some of the information previously issued regarding Option C and portability and to provide a revised Portability Notice.

OPTION C

Old Information

In BAL 99-203, we stated that employees who elect or increase Option C due to marriage can elect a number of

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Health Benefits
Program*

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Retirement
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multiples equal to the number of eligible family members acquired with the marriage and that employees who elect or increase Option C due to acquiring children can elect a number of multiples equal to the number of eligible children acquired.

We also said that employees who elect or increase Option C due to divorce or death of a spouse can elect a number of multiples equal to the number of eligible children.

The maximum number of Option C multiples is 5.

New Information

Employees who elect or increase Option C due to a life event can elect whatever number of multiples they want, up to the maximum of 5.

What Do Agencies Have to Do?

You must contact ***employees who have already made an Option C election*** due to a life event occurring during the time periods shown below and offer them the opportunity to increase their Option C coverage up to 5 multiples.

Employees whose life event occurred between October 30, 1998, and April 23, 1999, must make this election within 60 days of your notification to them. The increased Option C coverage will be retroactive to April 24, 1999, and the employees must pay the back premiums.

Employees whose life event occurred on or after April 24, 1999, also must make this election within 60 days of your notification to them. The increased Option C coverage will be retroactive to the same effective date as the Option C coverage they already elected due to the life event, and the employees must pay the back premiums.

PLEASE NOTE: This applies only to Option C. There is no change in the way the allowable number of Option B multiples is determined due to a life event.

ALSO NOTE: An employee described above who made an open enrollment election to increase the multiples of Option C may choose to allow that election to stand, instead of changing his/her election retroactive to the previous effective date. However, by doing so, the employee will have to meet the full 5-year requirement for

the multiples elected during open enrollment before he/she can continue them into retirement.

Material Affected

Because of this change, the FEGLI Booklet (RI 76-21 [RI 76-20 for Postal employees]) is no longer accurate. We have prepared an addendum to the FEGLI Booklet (copy attached) showing the new information.

You must distribute a copy of this addendum to all of your agency-s employees, so they may put it with their copy of the FEGLI Booklet. You must also give the addendum to any new employees or newly eligible employees when you give them the FEGLI Booklet.

Future shipments of the FEGLI Booklet will include copies of the addendum.

PORTABILITY

Problem with Notice

BAL 99-210 contained detailed information about portability and transmitted a Portability Notice to be used until the SF 2825 is ready. However, the Portability Notice didn't include a place for the employee-s address and phone number. Since this information is also not on the SF 2821, MetLife has no address to use to send the individual a bill for the ported coverage.

Fix

We have attached a revised Portability Notice, which includes a space for the employee-s address and phone number. Agencies must give eligible employees this revised notice, instead of the one attached to BAL 99-210.

Reminder

When an individual applies to port coverage, the designations, assignments, and court orders that you send to MetLife must be the *originals*, not copies.

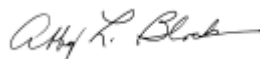
Important Change to Portability Time Frames

In BAL 99-210 we gave the time frames for applying to port Option B as 31 days from the date of the terminating event.

To make sure that agencies have sufficient time to get the

Portability Notice to the employee - especially agencies operating on a monthly pay period - we are changing this time frame. ***The new time frame is 60 days from the date of the event.***

We consider a mailed notice to be received 5 days after it is sent. Therefore the Portability Notice will be considered to be on time if the employing office receives it by the 65th day after the terminating event (or by the 79th day after the terminating event, if the individual lives overseas).



Abby L. Block, Chief
Insurance Policy
and Information Division

Attachments

ADDENDUM TO THE FEGLI BOOKLET (April 1999 edition)

Replace the Life Event table on page 9 with this table.

This new table reflects changes to the number of Option C multiples you can elect due to a life event. We've also removed the footnote for the life event "Marriage" – you can count a foster child gained through marriage for Option B purposes.

Life Event	Option B Multiples You May Elect (Up to Five Total)	Option C Multiples You May Elect (Up to Five Total)	Effective Dates
Marriage	The number of additional family members (spouse and eligible children) you gain from the marriage.	From one to five multiples, regardless of the number of eligible family members you have or acquired.	If you submit SF 2817 before the event: date of event AND , for Option B, you are in a pay and duty status.
Divorce	The total number of your eligible children.		If you submit SF 2817 after the event: date human resources office receives form AND , for Option B, you are in a pay and duty status.
Death of Spouse	The total number of your eligible children.		Time Limit: within 60 calendar days after date of event.
Children	The total number of eligible children* acquired in this event.		

*Acquiring a foster child does not count as a life event for Option B purposes.

PORTABILITY NOTICE

PART A - To Be Completed by Employing Agency

1. _____
Name of Employee
2. _____
Date of Birth
3. _____
Social Security Number
4. _____
Number of Multiples of Option B
the Employee Has
5. _____
Amount of Coverage in Each Multiple (annual
basic pay rounded up to the nearest thousand)
6. _____
Date of Terminating Event
7. _____
Name of Agency Official to Contact
for Additional Information
8. _____
Phone Number of Agency Official
9. _____
Fax Number of Agency Official
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PART B - To Be Completed by Employee (or Assignee)

Have you assigned your life insurance? _____ Yes _____ No

NOTE: If you have assigned your insurance, you cannot port your Option B coverage. Only your assignee has the right to port your coverage. Give this Portability Notice to your assignee(s).

I choose to port (continue) _____ multiples of the Option B coverage described above. I understand that if I do not make premium payments on time, the coverage will be canceled and cannot be reinstated.

Signature of Employee (or Assignee, if applicable)

Date

Address of Employee (or Assignee, if applicable)

Phone Number

INSTRUCTIONS TO EMPLOYEE/ASSIGNEE

If you want to port your Option B coverage, complete Part B of this Portability Notice and *send or take it to your agency employing office.*

Also send a copy to:

Metropolitan Life Insurance Company
Voluntary Benefits Group
Administrative Services
P.O. Box 2006
Aurora, IL 60507

If you have received the SF 2821 (Agency Certification of Insurance Status), also send that form to MetLife. If you have not received the SF 2821, do not delay in sending this Notice.

Your employing office must receive the Portability Notice within 65 calendar days from the date of the terminating event shown in #6 on the previous page (79 days, if you live overseas). There are no extensions to this deadline.

COST

The cost of your ported Option B coverage is the same as what you've been paying as an employee, as shown in the chart below.

1999 RATE CHART

Employee's Age	Monthly Cost per \$1,000 of Coverage
Under 35	\$0.065
35 through 39	\$0.087
40 through 44	\$0.130
45 through 49	\$0.217
50 through 54	\$0.325
55 through 59	\$0.672
60 and over	\$1.517

For ported coverage there is also a \$1.75 per month administrative fee.

If you have any questions concerning your ported coverage, you may call MetLife at 1-800-936-4792.