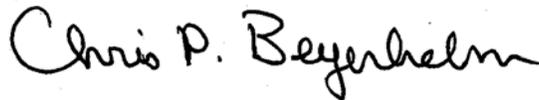


For: FSA and RMA Employees

Federal Employees' Group Life Insurance (FEGLI) Program Premium Changes

Approved by: Associate Administrator for Operations and Management



1 Announcing FEGLI Premium Changes

A Purpose

This notice announces and provides guidance about FEGLI premium changes. See Exhibit 1 for a detailed explanation of basic life insurance and the various options available to federal government employees.

B New FEGLI Premiums

A complete list of FEGLI premium rates effective January 1, 2016, are provided in Exhibit 2. Your payroll office will apply the new premiums the first pay period beginning on or after January 1, 2016. The following is a summary of the FEGLI premium rate changes:

- basic insurance - no change to the premium rates,
- option A, option B, and option C - most premium rates will decrease,
- post-retirement basic insurance with 50% reduction and no reduction will increase, and
- older age bands of options B and C will increase.

Disposal Date	Distribution
November 1, 2016	All FSA and RMA employees; State Offices relay to County Offices

Notice PM-2952

1 Announcing FEGLI Premium Changes (Continued)

C Human Resources Division (HRD) Contacts

This table provides HRD contacts.

IF employee is located in...	THEN contact...
FSA state and county offices	State office, administrative division.
other FSA offices or RMA	<ul style="list-style-type: none"> • Ernest Kary by either of the following: <ul style="list-style-type: none"> • e-mail to ernest.kary@kcc.usda.gov, or • telephone at 816-926-6225 • Patty Gepford by either of the following: <ul style="list-style-type: none"> • e-mail to patricia.gepford@kcc.usda.gov, or • telephone at 816-926-6259 • Kedra Watts by either of the following: <ul style="list-style-type: none"> • e-mail to kedra.watts@wdc.usda.gov, or • telephone at 202-401-0678 • Karen Williams by either of the following: <ul style="list-style-type: none"> • e-mail to karen0.williams@kcc.usda.gov, or • telephone at 816-926-2670 • Dana Candler by either of the following: <ul style="list-style-type: none"> • e-mail to dana.candler@kcc.usda.gov, or • telephone at 816-926-6117.

Explanation of Insurance Options

Basic Insurance

As an eligible employee, you are automatically enrolled in basic insurance unless you waive this coverage. Basic insurance covers your life for **whichever is greater**:

- your annual rate of basic pay, rounded up to the next even \$1,000, plus \$2,000; or
- \$10,000.

This is called the basic insurance amount (BIA). The government pays one-third of the premium cost for basic and the employee pay two-thirds.

Optional Insurance

If you have basic insurance, you may also elect optional insurance. You are not automatically covered by optional insurance like you are with basic insurance. You must take action to elect optional insurance. The employee pays the full cost for all optional insurance you elect. You must have basic insurance to elect any optional insurance. Optional insurance provides coverage in addition to what you have with basic insurance.

There are three types of optional insurance:

- option A (standard) - insures your life for \$10,000,
- option B (additional) - insures your life for 1, 2, 3, 4, or 5 multiples of your annual rate of basic pay rounded up to the next even \$1,000, and
- option C (family) - insures the lives of your spouse and eligible dependent children. It comes in 1, 2, 3, 4, or 5 multiples of coverage. Each multiple is equal to \$5,000 for a spouse and \$2,500 for each eligible dependent child.

Accidental Death & Dismemberment Benefits

Accidental death and dismemberment (AD&D) coverage is an automatic part of basic insurance and option A insurance (if elected) for employees, at no additional cost. There is no accidental death and dismemberment coverage with options B and C, and there is none for annuitants or enrollees on workers' compensation.

Accidental death benefits are payable when you sustain injuries by accidental means and, within one year afterwards, you die resulting directly from those injuries. Under basic insurance, accidental death benefits are equal to your BIA (without the extra benefit). Under option A, accidental death benefits are equal to your option A coverage.

Accidental dismemberment benefits are payable when you sustain injuries by accidental means and, within one year afterwards, you lose a limb or sight in one or both eyes resulting directly from those injuries. Under basic insurance, accidental dismemberment benefits are equal to one half of your BIA for the loss of one limb or sight in one eye. Under option A, accidental dismemberment benefits are equal to one-half of your option A coverage for the loss of one limb or sight in one eye.

Federal Employees’ Group Life Insurance Program (FEGLI) Premium Rates

The FEGLI rates effective January 1, 2016 are as follows.

Employee Basic Insurance (per \$1,000 of insurance)

The premiums are reflected below.

	Bi-Weekly	Monthly
Employee	\$0.1500	\$0.3250
Government	\$0.0750	\$0.1625
Total	\$0.2250	\$0.4875

Post-Retirement Basic Insurance for Annuitants (monthly rate per \$1,000 of insurance)

	Before Age 65	After Age 65
75% Reduction	\$0.3250	No cost
50% Reduction	\$1.0350	\$0.71
No Reduction	\$2.4550	\$2.13

Post-Retirement Basic Insurance for Annuitants (withholding every four weeks per \$1,000 of insurance)

	Before Age 65	After Age 65
75% Reduction	\$0.30	No cost
50% Reduction	\$0.96	\$0.66
No Reduction	\$2.27	\$1.97

Option A (for \$10,000 of insurance)

The premiums are reflected below.

Age Band	Bi-Weekly	Monthly
< 35	\$0.20	\$0.43
35 – 39	\$0.30	\$0.65
40 – 44	\$0.40	\$0.87
45 – 49	\$0.70	\$1.52
50 – 54	\$1.10	\$2.38
55 – 59	\$2.00	\$4.33
60 +	\$6.00	\$13.00

Federal Employees’ Group Life Insurance Program (FEGLI) Premium Rates (Continued)

Option B (per \$1,000 of insurance)

The premiums are reflected below.

Age Band	Bi-Weekly	Monthly
< 35	\$0.02	\$0.043
35 – 39	\$0.03	\$0.065
40 – 44	\$0.04	\$0.087
45 – 49	\$0.07	\$0.152
50 – 54	\$0.11	\$0.238
55 – 59	\$0.20	\$0.433
60 – 64	\$0.44	\$0.953
65 – 69	\$0.54	\$1.170
70 – 74	\$0.96	\$2.080
75 – 79	\$1.80	\$3.900
80 +	\$2.64	\$5.720

Option C (per multiple of insurance)

The premiums are reflected below.

Age Band	Bi-Weekly	Monthly
< 35	\$0.22	\$0.48
35 – 39	\$0.27	\$0.59
40 – 44	\$0.41	\$0.89
45 – 49	\$0.59	\$1.28
50 – 54	\$0.92	\$1.99
55 – 59	\$1.48	\$3.21
60 – 64	\$2.70	\$5.85
65 – 69	\$3.14	\$6.80
70 – 74	\$3.83	\$8.30
75 – 79	\$5.26	\$11.40
80 +	\$7.20	\$15.60