

## **Continuation of FEGLI Coverage for Federal Employees Called to Active Duty Frequently Asked Questions**

### **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.

### **What do employees need to do to continue coverage for an additional 12 months?**

When the employing agency is notified that an employee has been called to active duty, the affected employee will receive a notice from the agency giving them the opportunity to continue coverage for an additional 12 months. If employees wish to continue coverage, they **must indicate** their choice 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; however, employees are encouraged to submit their elections before leaving for active duty service.

### **What should an employee do if the employee does not wish 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 free for 12 months in nonpay status, after which it will terminate, subject to the 31-day extension of coverage and the right to convert to an individual policy.

### **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's and agency's shares of premiums for Basic coverage and the entire premium (there is no agency share) for any Optional coverage for the additional 12 months of coverage.

Agencies must have a system in place to accept premium payments from each affected employee. There is no provision in the law for agencies to pay the employee's share of the FEGLI premiums. Agencies should forward the FEGLI premiums to the Employees' Life

Insurance Fund as they customarily do for their other employees via standard payroll procedures, for each pay period the employee has coverage.

**What happens if the employee does not complete or submit a completed notice to continue coverage?**

If the employee does not submit a completed notice, the FEGLI coverage will end at the end of the first 12 months, subject to the 31-day extension of coverage and the right to convert to an individual policy.

**Can an employee on Active Duty submit the notice AFTER the first 12 months of free FEGLI coverage has terminated?**

The notice must be submitted before the first 12 months of FEGLI coverage terminates, with one exception: in the case of employees on active duty in nonpay status whose first 12 months of free coverage terminated on or after the law's effective date of January 28, 2008 but before they were notified of the opportunity to elect to continue coverage for an additional 12 months, employing agencies must offer these employees the opportunity to elect to continue coverage for the additional 12-month period. Employees must be notified of this opportunity via the procedures described above. Employees must respond within 60 days of receiving the notice. The employee's terminated coverage will be reinstated retroactively to the effective date of termination for a period of 12 additional months on a self-pay basis. Agencies must notify employees of the effective date of their coverage, premium payment amount, and where employees must send premiums. Payment must be received within 30 days of receiving such notice. If no payment is received, the election is void and treated as if no election was ever made and coverage was never reinstated.

**What if the employee is currently on active duty?**

If the employee is still in the first 12 months of free FEGLI coverage, he/she can elect to continue coverage for an additional 12 months. Agencies must notify the employee of the opportunity to continue coverage for an additional 12 months before the first 12-month period expires.

**What happens when an employee returns to work?**

When an employee returns to work in a pay and duty status, FEGLI coverage will be reinstated at the same level that was in place when the employee went into nonpay status. Even if the employee declines to continue coverage for the additional 12 months, reduces some or all of the coverage, or allows coverage to terminate due to non-payment, the terminated coverage will be reinstated at the same level that was 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.

**Can an employee choose to cancel some or all of their insurance coverage during the second 12 months of coverage?**

Employees may cancel some or all of their coverage at any time. However, if an employee elects to continue coverage after the first 12 months of nonpay status, then wishes to cancel some or all of the coverage, the employee must do so by notifying the agency 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. Coverage canceled will be subject to the 31-day extension of coverage and the right to convert to an individual policy.

**How do agencies certify the coverage if the employee dies in the second 12 months?**

If an employee elects to continue coverage and dies during the second 12 months, agencies should certify the coverage to OFEGLI by checking “Other” in Part 4a of the SF 2821, and referencing Public Law 110-181 in the remarks section of the form to explain why the employee has the continued coverage.

**Does Public Law 110-181 include an Active Duty employee whose FEGLI coverage terminated before January 28, 2008?**

No. An employee whose FEGLI coverage terminated due to the end of 12 months in nonpay status before the law was passed is not eligible for the additional coverage period.

**What if an employee has already converted coverage?**

The new provision of law applies prospectively to those individuals who currently are enrolled in FEGLI, not those enrolled in private insurance. Employees who have already converted coverage are not eligible for the additional 12 months of coverage. Employees who are still within their first 12 months of nonpay status and who are enrolled in FEGLI may elect to continue their FEGLI coverage for the additional 12 months.

**Can we offer this additional 12 months of coverage to other employees who will be on LWOP longer than 12 months for reasons other than active military duty?**

No. The new law ONLY applies to employees who enter on active duty or active duty for training on a call or order for more than 30 days in one of the uniformed services.

**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’s and agency’s shares 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.

**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.

**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.

**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.

**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.

**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.”

**Is there a provision to cover agency administrative costs to administer this new provision of law?**

No. The law contains no such provision.

**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.

**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 Uniformed Services Employment and Reemployment Rights Act (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.

**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.