



U.S. OFFICE OF PERSONNEL MANAGEMENT

Federal Employees' Group Life Insurance Program; Premium Changes and Open Season

AGENCY: U.S. Office of Personnel Management.

ACTION: Notice.

SUMMARY: The Office of Personnel Management (OPM) is announcing an upcoming FEGLI Open Season and changes in premium rates for certain Federal Employees' Group Life Insurance (FEGLI) categories in accordance with sections 870.401(a)(2) and 870.402(a)(3) of title 5 of the Code of Federal Regulations. These include changes to premium rates for Option A (most age bands), Option B (most age bands), Option C (most age bands), and Post-Retirement Basic Insurance. These rates will be effective the first pay period beginning on or after January 1, 2016. The FEGLI Open Season will be held from September 1, 2016 through September 30, 2016.

DATES: These rates will be effective the first pay period beginning on or after January 1, 2016.

FOR FURTHER INFORMATION CONTACT: Delon Pinto, Delon.Pinto@opm.gov, (202) 606-0004.

SUPPLEMENTARY INFORMATION: This notice announces an upcoming FEGLI Open Season between September 1, 2016 and September 30, 2016 and also announces changes to FEGLI Option A (most age bands), Option B (most age bands), Option C (most age bands), and Post-Retirement Basic Insurance.

Open Seasons are one method by which healthy individuals can be attracted to join and reduce the risk profile of the program. Some less healthy individuals may elect coverage during Open Seasons. To mitigate this risk, the effective date for employees in active pay status who make an Open Season election would be delayed one full year to October 1, 2017, subject to FEGLI law and regulation, including applicable pay and duty status requirements.

FEGLI premium rates are assessed based on Program experience in accordance with FEGLI statutes at 8711(b), 8714a (e), 8714b (e), and 8714c (e), and OPM's Annual FEGLI Rate Review Process. The premium rates in the FEGLI program represent estimates of premium income necessary to pay future expected benefits costs. The rates for all coverage categories are specific to the experience of the FEGLI group and are not based on mortality rates within the general population. Actuarial analysis of changing mortality rates makes periodic premium adjustments necessary.

OPM has completed a study of funding and claims experience within the FEGLI Program. Based on this updated actuarial analysis of actual claims experience, OPM has determined that changes are required to Option A, Option B, Option C and Post-Retirement Basic Insurance premiums. These changes reflect updated mortality and claims rates from actual program experience within each FEGLI category. The legislative structure of the FEGLI Program assumes that we set premium rates for each age band independently of the other bands so that each age band is financially self-supporting.

We will issue guidance to all agencies for the purpose of counseling employees and we will notify affected annuitants directly via OPM's Office of Retirement Services.

The FEGLI premium rates will be maintained on the FEGLI Web site
www.opm.gov/insure/life.

The new FEGLI premium rates for Option A, Option B, Option C and the Post-Retirement Basic Option are as follows:

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

The premiums for compensationers who are paid every four weeks are two times the biweekly premium.

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

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

The premiums for compensationers who are paid every four weeks are two times the biweekly premium.

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 for compensationers who are paid every four weeks are two times the biweekly premium.

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

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 Compensationers (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

Premium rates for Basic Employee insurance will not change at this time. These rates will be effective the first pay period beginning on or after January 1, 2016.

U.S. Office of Personnel Management

Beth F. Cobert,
Acting Director

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