



SOUTHWEST CIVILIAN PERSONNEL ADVISORY CENTER

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Retirement Planning

If you are preparing to retire, please note that the Army Benefits Center-Civilian (ABC-C) strongly recommends that you submit your retirement application package within 120 days of your intended retirement date.

Your early submission will help to ensure a timely receipt of your first annuity payment from the Office of Personnel Management. If you submit your retirement package to the ABC-C with less than 60 days notice, you should be financially prepared for a delay in the receipt of your first annuity payment. Information contained at

<https://www.abc.army.mil/retirements/IWanttoRetire.htm> covers most questions you may have regarding retirement planning. The ABC-C offers presentations to help employees complete retirement applications. Self-paced slide presentations with information on filling out retirement forms are available.

The presentations cover CSRS and FERS as well as disability applications and feature a friendly voiced option and detailed instructions. The presentations, along with more information on retirement can be found by visiting the ABC-C web site at

<https://www.abc.army.mil/retirements/RetFormPrep.htm>.

LONG TERM CARE INSURANCE

The Federal Long Term Care Insurance Program (FLTCIP) provides long term care insurance for its enrollees, who are Federal employees and annuitants, active and retired members of the

uniformed services, and their qualified relatives. The FLTCIP is sponsored by the U.S. Office of Personnel Management. John Hancock Life & Health Insurance Company provides the insurance. Long term care insurance provides funds if you can no longer perform everyday tasks for yourself. Care can be provided in a variety of settings: your home, a nursing home, hospice care or other assisted living facilities. You may apply within 60 days of your entrance on duty date or you may apply at anytime with the longer underwriting procedure. The final regulation from OPM now allows same-sex domestic partners.

For answers to your questions, click on link below.

<http://www.opm.gov/retire/pubs/bals/2010/10-901.pdf>

<http://www.opm.gov/retire/pubs/bals/2010/10-901attachment.pdf>

To enroll in Long Term Care Insurance you can log onto www.ltcfeds.com or by calling 1-800-582-3337.

FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI)

Revised FEGLI regulations went into effect 1 October 2010. These revised regulations change various aspects of the FEGLI Program.

The changes are in **bold** within the text below. If additional information is needed regarding FEGLI please go to

<http://www.opm.gov/insure/life/index.asp>.

The Federal Government established the Federal Employees' Group Life Insurance (FEGLI) Program on 29 August 1954. It is the largest group life insurance program in the world, covering over four million Federal employees and retirees, as well as many of their family members. The Office of Federal Employees' Group Life Insurance (OFEGLI), which is a private entity that has a contract with the Federal Government, processes and pays claims under the FEGLI Program. FEGLI provides group term life insurance. As such, it does not build up any cash

value or paid-up value. There are no regularly scheduled FEGLI Open Seasons to elect or increase your coverage. Open Seasons are held only when specifically scheduled by the Office of Personnel Management (OPM). FEGLI Open Seasons are held quite infrequently, and you should not count on one occurring any time soon. You will receive plenty of notice if and when there is another Open Season. New Federal employees are automatically covered by Basic life insurance unless they waive the coverage. If you are under age 45, you automatically have extra coverage without paying any additional premium. This Extra Benefit increases the amount of Basic insurance payable at the time of your death, if you die before age 45.

FEGLI consists of Basic life insurance coverage and three options. Unlike Basic, enrollment in Optional insurance is not automatic. **The new regulations expand the time frame for making an initial election of Optional insurance from 31 calendar days to 60 calendar days after the employee becomes eligible for FEGLI coverage.**

The cost of Basic insurance is shared between you and the Government. You pay 2/3 of the total cost and the Government pays 1/3. Your age does not affect the cost of Basic insurance. You pay the full cost of Optional insurance, and the cost depends on your age. Rates are available at http://www.opm.gov/insure/life/rates/em_rates.asp.

FEGLI consists of Basic insurance, Options A, B and C. The Basic Insurance Amount (BIA) is based on your actual current pay. To determine your BIA - Take your annual rate of basic pay, and round up to the next higher thousand (if it's not already an even thousand dollar amount), and add \$2,000.

Option A: Option A coverage is \$10,000.

Option B: Option B coverage comes in 1, 2, 3, 4, or 5 multiples of your annual pay (after your pay has been rounded to the next higher thousand). It does not include the extra \$2,000 added for your BIA.

Option C: Option C provides coverage for your spouse and eligible dependent children. When you elect Option C, all of your eligible family members are automatically covered. You may elect either 1, 2, 3, 4 or 5 multiples of coverage. Each multiple is

equal to \$5,000 for your spouse and \$2,500 for each eligible dependent child.

For example, if you elect 3 multiples and your spouse dies, you would receive \$15,000 (3 times \$5,000). If one of your eligible dependent children dies, you would receive \$7,500 (3 times \$2,500).

The number of multiples you elect applies to all of your eligible family members. You cannot elect a number of multiples for your spouse that is different from the number of multiples for your eligible dependent children.

A child's eligibility for Option C benefits ends once he/she reaches age 22, unless he/she is incapable of self-support because of a mental or physical disability that existed before the child reached age 22.

If you have been designated as an Emergency Essential Employee or are deploying in support of a contingency operation, and if you have previously waived FEGLI coverage, P.L. 110-417 allows you to enroll in **basic** FEGLI coverage. This law also provides an opportunity for employees already enrolled in FEGLI to increase existing coverage under Option A and/or Option B. Click [here](#) for more information on FEGLI enrollment for deployed or Emergency Essential Employees.

You may cancel your Basic and/or Optional insurance coverage at any time, unless you've [assigned](#) your insurance. When you cancel Basic insurance, you automatically cancel all of your Optional insurance. Canceling Optional insurance has no effect on Basic insurance. The cancellation is effective at the end of the pay period in which it is cancelled.

Canceling a Waiver of FEGLI. You can obtain Basic insurance and/or Options A and B by canceling your waiver if at least one year has passed since the effective date of your waiver and you provide satisfactory medical evidence of insurability. You must have Basic insurance to elect Optional insurance.

If you want to cancel a waiver, you must complete an [SF 2822](#), *Request for Insurance*. This form is a combination:

- Request to cancel a waiver,
- Medical certificate, and
- Authorization for insurance

You must sign the request portion and have your personal doctor complete the medical certificate. You are responsible for any fee charged for medical examination and certification. Your doctor must send the completed SF 2822 to the Office of Federal Employees' Group Life Insurance (OFEGLI), and OFEGLI must receive the form within 60 days from the date of the medical examination. If OFEGLI approves coverage, Basic insurance becomes effective on the first day you enter on duty in a pay status after OFEGLI's approval.

The time frame for electing coverage using the [SF 2822](#) and providing satisfactory medical information is also changed from 31 calendar days to 60 calendar days after approval by the Office of Federal Employees' Group Life Insurance (OFEGLI). You are allowed **60** days from the date of OFEGLI's approval to cancel your waiver of Option A and/or Option B, regardless of when your employing office notifies you of OFEGLI's decision. The effective date is the first day you enter on duty in pay status on or after the day your employing office receives your Life Insurance Election form after OFEGLI approves your request.

You can cancel a waiver of Option B and/or Option C (or increase the multiples you carry) because of one of these events:

- Marriage
- Divorce
- Death of a spouse
- Acquiring an eligible child

You must file the election with your employing office on an [SF 2817](#), *Life Insurance Election* form, along with proof of the event, no later than 60 days after the date of the event.

The new regulations allow an employee who experiences a FEGLI qualifying life event 60 days to elect Basic, plus any or all Optional insurance—Option A, Option B (up to the maximum of 5 multiples with no restrictions), and Option C (up to the maximum of 5 multiples with no restrictions). FEGLI qualifying life events include marriage, divorce, death of a spouse and birth or adoption of children.

The regulations now provide a belated election opportunity based on a life event. Within 6 months after an employee becomes eligible to make an election due to a change in family circumstances, an employing office may determine that the employee was unable, for reasons beyond his or her control, to elect or increase Basic/Optional insurance within the time limit. This decision is made by the employing agency; OPM is not involved in the determination.

If the agency determines that the employee can make the election, the employee has 60 days from the agency determination to make the election. Any insurance elected is retroactive to the first day of the first pay period beginning after the date the employee became eligible if the employee was in pay and duty status that day. If the employee was not in pay and duty status that day, the coverage becomes effective the first day after that date the employee returned to pay and duty status.

FEGLI Coverage for 24 months for Federal Employees Called to Active Duty - 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 whose coverage terminated after the law's enactment. 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.

Civilian Employees Deployed in Support of a Contingency Operations Emergency Essential Department of Defense Employees - Public Law 110-417, effective October 14, 2008, allows new opportunities for certain employees to elect FEGLI coverage. The election applies to civilian employees eligible for FEGLI who are deployed in support of a contingency operation as defined by section 101 (a) (13) of Title 10. The election also applies to civilian employees in the Department of Defense eligible for FEGLI who are designated as "emergency essential" under section 1580 of Title 10. The employee may elect Basic, Option A and Option B (up to the maximum of 5 multiples). The employee must make the election within 60 days after the date of notification of deployment in support of a contingency operation or within 60 days of the date of the notification of the designation as an emergency essential employee.

Option B and Option C Elections at Retirement/Compensation - The new regulations state that there will be only one election opportunity to choose how an enrollee's Option B and Option C coverage may reduce beginning at age 65. The election will be made at the time of Retirement. In this election, the employee can choose No Reduction for some multiples and Full Reduction for other multiples. "Mixed elections" will be allowed. For example, if the employee has three multiples, the employee can elect to have two with Full Reduction and one with No Reduction. There will no longer be a second election at age 65. The SF 2818 Continuation of Life Insurance Coverage as a Retiree or Compensation is currently being revised based on these

changes.

Timeframe for converting to an individual policy - The employee/assignee(s) must submit the request for conversion information to the Office of Federal Employees' Group Life Insurance (OFEGLI). OFEGLI must receive the request for conversion within 31 calendar days of the date on the conversion notification the employee receives from the employing agency (60 days if overseas) or within 60 calendar days after the date of the terminating event (90 days, if overseas), whichever is earlier.

Power of Attorney - The new regulations now allow an individual having power of attorney to convert the FEGLI coverage on behalf of the insured, if the insured is unable to convert. The new regulations also allow an individual having power of attorney to apply for a living benefit on behalf of the insured individual

Annual Benefits Administrative Paperwork Checklist

Using this checklist to review and make the necessary modifications will help to ensure that you are aware of and in control of your options and that current benefit elections are what you intend. You will again want to check your Leave and Earnings Statement on 27 Jan 11 to ensure any open season changes you decide to make are reflected. Along with another birthday, an increase in optional life insurance deductions may occur. A change in your age category which occurs in 5 year increments may cause an increase in the cost of optional life insurance. Increases in amounts of coverage are not permitted without obtaining a qualifying life event, such as birth of a child, adoption, marriage, or divorce. However, decreases in coverage are permitted at any time. You may wish to review this information prior to the incremental change to reconsider your needs and the needs of your family and make appropriate changes.

This checklist also serves a reminder for you to review and possibly increase your TSP contributions

to ensure you are taking advantage of the annual elective deferral limits. Electing changes earlier in the year offers you the option to spread deductions over a longer period of time.

Annual Administrative Paperwork Checklist

1. ____ Review Leave and Earning Statement (LES) for the following deductions to ensure they are accurate and the affect that any open season changes or increases in salary may have on benefit deductions.

- Federal Employees Health Benefit (FEHB)
- Federal Employees' Group Life Insurance (FEGLI) (rates increase automatically based on age in 5 year increments & salary)
- Flexible Spending Account (FSA)
- Federal Employee Dental and Vision Insurance Program (FEDVIP)
- Thrift Savings Plan (TSP). Increasing TSP based on the maximum annual allowance is easier financially if made during the 1st few pay periods of the year rather than later in the year because the deductions are spread out over a longer period of time.

2. ____ SF50 (Notification of Personnel Action) to ensure the following data is accurate. The value of these data elements may impact your leave accrual, retention standing, retirement deductions, wages, and premiums for benefits. For assistance in locating your most recent SF50, you can log onto MYBIZ or contact your CPAC.

- FEGLI Code (Block 27)*
- Service Computation Date (block 31)*
- Veterans Preference ((block 26)
- Retirement Code (block 30)*
- Duty station location (block 39)
- Pay Plan or Pay Band (block 16-19)*
- Grade and Step or level (block 16-19)*
- Basic, Locality, and Total Adjusted Salary (block 20, 20A-20D)*

***Notates that this information can also be found on LES.**

You can find an explanation of all blocks on the Standard Form (SF-50), Notification of Personnel Action, at <http://www.ita.doc.gov/hrm/sf50/sf50b.html>.

3. ____ Ensure your servicing payroll office via MYPAY has the most current mailing and email address in so that W2 forms, Wage and Tax Statements, insurance carrier and TSP information can be received at the proper address.

4. ____ W4, Employee's Allowance Certificate and applicable state tax forms. Does your tax withholding need to be adjusted due to salary increases? If so, use the IRS Withholding Calculator to determine the necessary adjustments then complete and submit a new 2010 W-4 to your servicing Customer Service Representatives or by using MYPAY. The calculator can be found at <http://www.irs.gov/individuals/article/0,,id=96196,00.html>

5. ____ Beneficiary Forms. The Federal government recognizes most recently dated beneficiary forms, assignments or valid court orders. Wills or power of attorney documents do not override these forms. If you want to ensure that your survivors receive the timely notification of benefits and payments, it is important that you complete the appropriate designation of beneficiary form in the manner in which you want those payments distributed. If beneficiary forms are not completed, the order of precedence applies at the time of death.

Beneficiary forms can be found on the ABC website <https://www.abc.army.mil/Forms/BeneficiaryForms.htm>.

- SF2808, CSRS or SF3102 FERS (Use the appropriate form depending upon which retirement system you are under. The Office of Personnel Management will pay retirement funds to survivors and eligible dependents.)
- SF2823, Federal Employees' Group Life Insurance (includes payment upon death for all life insurance coverage options). Payments are made by the Office of FEGLI)
- SF1152, Unpaid Compensation (includes payment for monies due employee, i.e., salary, annual leave balance, and travel reimbursements)
- TSP-3, Thrift Savings Plans (used by the TSP Board to pay TSP account balance)

Your Benefit Office is: The Army Benefit Center at <https://www.abc.army.mil/>.

POC in the CPAC is Catherine Rhodes at 817-886-1190.