

LIFE INSURANCE

As an employee you obtain benefits counseling and processing services from the ABC-C. You may visit the ABC-C website at <https://www.abc.army.mil>.

The Federal Government established the Federal Employees' Group Life Insurance (FEGLI) Program on August 29, 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.

FEGLI provides group term life insurance. As such, it does not build up any cash value or paid-up value. It consists of Basic life insurance coverage and three options. In most cases, if you are a new Federal employee, you are automatically covered by Basic life insurance and your payroll office deducts premiums from your paycheck unless you waive the coverage. In addition to Basic, there are three forms of Optional insurance that you can elect. You must have Basic insurance in order to elect any of the options. Unlike Basic, enrollment in Optional insurance is not automatic -- you must take action to elect the options.

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.

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. The Army Benefits Center – Civilian (ABC-C) is a centralized service center for Department of Army civilian employees. You can access the ABC-C by telephone via a toll-free number, or through the Internet. The ABC-C automated systems are available almost 24 hours a day and benefit counselors are available to assist employees between the hours of 6:00 a.m. and 6:00 p.m. CST.

Who is eligible:

Most Federal civilian employees are eligible to enroll in the Federal Employees Group Life Insurance (FEGLI) program. This includes part-time service employees. However, there are some exclusions by law and regulation.

Some employees who are excluded are employees serving on temporary appointments limited to one year or less; employees on intermittent appointments; employees whose annual pay is \$12 or less; and those paid on a contract, fee, or piecework basis.

As a new employee, the ABC-C is where all of the benefits elections are made after you have started working. You are automatically covered for the Basic coverage unless you waived it. You have 31 days after entrance on duty to make an election for the optional coverage.

As a current employee, the ABC-C is where you can change your benefits elections when necessary. The Office of Personnel Management rarely has open seasons for life insurance. If you don't elect the optional coverage within 31 days of first hired you will have to wait one year to request coverage. You would need to notify CPAC benefits personnel to obtain a SF 2822 to elect or increase your coverage. A physical at your own expense must be done and the doctor's office will forward to the Office of Federal Employee Group Life Insurance (OFEGLI) for approval. Once a decision is made, OFEGLI will contact HR personnel, HR personnel will notify employee of the decision and advise the employee to contact ABC to make the election. Elections must be made within 31 days from the approval date. Employees can elect the Basic, Option A and Option B up to 5 multiples. Option C coverage can only be obtained through a life event such as marriage, divorce, death of spouse and birth or adoption of children.

What are the costs?

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:

1. Take your annual rate of basic pay, and
2. Round up to the next higher thousand (if it's not already an even thousand dollar amount), and
3. 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 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.

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