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§ 871.104 Definitions.

The terms defined under § 870.104 of this chapter have the same meanings in this part.

[51 FR 39363, Oct. 28, 1986, as amended at 59 FR 66437, Dec. 27, 1994]

Subpart B—Coverage

§ 871.201 Eligibility.

(a) Each employee who is insured for basic insurance and for whom an uncanceled declination of standard optional insurance is not in effect is eligible to elect the standard optional insurance, if his/her periodic pay, after all other deductions, is sufficient to cover its full cost.

(b) An employee of the District of Columbia Financial Responsibility and Management Assistance Authority (the Authority) who makes an election under the Technical Corrections to Financial Responsibility and Management Assistance Act (section 153 of Public Law 104–134, 110 Stat. 1321) to be considered a Federal employee for life insurance and other benefit purposes is subject to this part. If the employee is eligible to make an election under § 871.202, such election must be made within 31 days after the later of either the date employment with the Authority begins or the date the Authority receives his or her election to be considered a Federal employee. Employees of the Authority who are former Federal employees are subject to the provisions of § 871.205 and § 871.604.

[49 FR 3039, Jan. 25, 1984, as amended at 61 FR 58459, Nov. 15, 1996]

§ 871.202 Election or declination.

(a) Except as otherwise provided in paragraph (b) this section, each employee shall, on the form entitled Life Insurance Election, elect or decline the standard optional insurance within 31 days after becoming eligible, unless during earlier employment he/she filed an election or declination which remains in effect.

(b) On a determination by an employing office, within six months after an employee becomes eligible, that he/she was unable, for cause beyond his/her control, to elect the standard optional insurance within the prescribed time limit, the employee shall elect or decline the standard optional insurance within 31 days after he/she is advised of that determination. Standard optional insurance in that case is retroactive to the first day of the first pay period beginning after the date the person became eligible, or after April 1, 1981, whichever is later, and the person shall pay the full cost of the insurance from that date for the time that he/she is in pay status or retired or in receipt of compensation and under age 65.

(c) A person who does not file with his/her employing office an election of standard optional insurance on the Life Insurance Election form does not have the standard optional insurance.

§ 871.203 Effective date of insurance.

(a) The effective date of an election of standard optional insurance is the first day an employee actually enters on duty in a pay status on or after the day the election is received in his/her employing office.

(b) An election of standard optional insurance remains in effect until canceled as provided in § 871.204. For an employee whose standard optional insurance has stopped for a reason other than a declination or waiver, standard optional insurance is reinstated on the first day he/she actually enters on duty in a pay status in a position in which he/she again becomes eligible.

(c) An open enrollment election of standard optional insurance filed during the period from March 29 through April 30, 1993, is effective on the first day of the first pay period beginning on or after May 30, 1993, which immediately follows a pay period during which the employee was in a pay and duty status for at least 32 hours. A part-time employee will need to have been in a pay and duty status for one-half of the regularly scheduled tour of duty indicated on his or her current Standard Form 50 for newly-elected coverage to become effective. An employee who has no regularly-scheduled tour of duty or who is employed on an intermittent basis will have to have been in a pay and duty status for one-half of the hours customarily worked before newly-elected coverage can become effective. For the purpose of this

subsection, employing offices can determine the number of hours customarily worked by averaging the number of hours worked in the calendar year quarter ending March 31, 1993.

[49 FR 3039, Jan. 25, 1984, as amended at 50 FR 26689, June 28, 1985; 58 FR 11954, Mar. 2, 1993]

§ 871.204 Declination.

(a) An insured person may cancel his/her standard optional insurance at any time by filing a declination of standard optional insurance or a waiver of basic insurance coverage. An employee files with the employing office. An annuitant files with OPM or other office that administers his/her retirement system. If still employed, a compensationer files with the employing office, and, if not still employed, with OWCP.

(b) A cancellation of standard optional insurance becomes effective and standard optional insurance stops at the end of the pay period in which the declination or waiver is properly filed.

(c) A declination of standard optional insurance remains in effect until is canceled as provided in § 871.205.

(d) For the purpose of having standard optional insurance as an employee, an election of insurance under this part filed on or before February 28, 1981, is deemed to have been canceled effective at the end of the pay period which includes March 31, 1981, unless the employee does not actually enter on duty in pay status during the first pay period which begins on or after April 1, 1981, in which case the election is deemed to have been canceled on the first day after the end of the pay period that the employee actually enters on duty in pay status. In order to retain or obtain standard optional insurance as an employee after the date of such declination an employee must affirmatively elect the coverage by filing the Life Insurance Election form with his/her employing office, subject to the provisions of § 871.204 Declination.

§ 871.205 Cancellation of declination.

(a) An employee who has declined the standard optional insurance may elect it if:

(1) At least 1 year has elapsed since the effective date of his/her last declination or waiver; and

(2) He/she furnishes satisfactory evidence of insurability.

(b) The effective date of an election under paragraph (a) of this section is the first day the employee actually enters on duty in pay status, on or after the day his/her employing office receives the election following approval of his/her Request for Insurance by the Office of Federal Employees' Group Life Insurance established by the insurance company. The approval is revoked automatically and the standard optional insurance does not become effective if the employee fails to submit his/her election or meet the pay and duty status requirement within 31 days following the date of the approval.

(c) Notwithstanding paragraphs (a) and (b) of this section, the declination of standard optional insurance coverage by an employee who is or becomes a member of the Postal Career Executive Service on or after June 2, 1979, is automatically and permanently canceled. He/she is insured for standard optional insurance on the first day he/she enters on duty in a pay status on or after June 2, 1979.

(d) Declinations of standard optional insurance filed on or before February 28, 1981, are automatically canceled effective on the first day an employee whose declination is so canceled actually enters on duty in pay status on or after April 1, 1981. The standard optional insurance is effective on the date of cancellation of the declination, provided that the employee has filed an affirmative election of standard optional insurance on the form entitled Life Insurance Election during the open enrollment period from March 1, 1981 through March 31, 1981. An employee whose pre-March 1981 declination is so canceled and who does not file the form with his/her employing office during the period from March 1, 1981 through March 31, 1981, shall be deemed to have declined standard optional insurance on March 31, 1981. However, an employee who fails to file the form during that period due to cause beyond his/her control shall be allowed to enroll belatedly under the conditions prescribed under § 871.202(b).

(e) An annuitant or compensationer is not eligible to cancel a declination under this section.

(f)(1) A previous declination is automatically canceled at time of reinstatement on or after April 1, 1981, if an employee has been separated from service for at least 180 days. If no new declination is filed, standard optional insurance coverage is effective on the date the employee actually enters on duty in a pay status in a position wherein he/she is not excluded from insurance by law or regulation, provided that the employee has filed an affirmative election of standard optional insurance on the form entitled Life Insurance Election. An employee whose declination is so canceled and who does not file the form with his/her employing office within 31 days after reinstatement shall be deemed to have declined standard optional insurance, except that an employee who fails to file the form during that period due to cause beyond his/her control shall be allowed to enroll belatedly under the conditions prescribed under §871.202(b).

(2) An employee who returned to Federal service between April 1, 1981, and December 8, 1983, after a 180-day break in service may elect standard optional insurance upon application to his or her employing office before March 7, 1984.

(g)(1) An open enrollment period will be held from March 29 through April 30, 1993, during which time employees otherwise eligible for coverage may cancel their existing declinations of coverage by affirmatively electing to be insured on a form designated by OPM.

(2) An employing office may make a determination, within 6 months after the March 29 through April 30, 1993 open enrollment period, that an employee was unable, for cause beyond his or her control, to cancel his or her then existing declination of coverage by affirmatively electing to be insured during the 1993 open enrollment period. The employee shall be permitted to submit an affirmative election of coverage within 31 days after he or she is advised of that determination. Standard optional insurance coverage in that case is retroactive to the first pay period beginning on or after May 30, 1993, which immediately follows a pay period during which the employee was in a pay and duty status for a sufficient length of time, as specified in §871.203(c) to acquire coverage. Failure on the part of the employee to file an election within the 31 days prescribed in this paragraph shall be deemed a declination of standard optional insurance.

[49 FR 3039, Jan. 25, 1984, as amended at 50 FR 26689, June 28, 1985; 51 FR 21497, June 13, 1986; 58 FR 11954, Mar. 2, 1993]

Subpart C—Amount of Insurance

§871.301 Amount of employee's insurance.

The amount of an employee's standard optional insurance is $10,000, except that an employee whose annual rate of pay (as defined in §870.302 of this chapter) exceeds the sum of (a) the annual rate of basic pay payable for positions at level II of the Executive Schedule under section 5313 of title 5, United States Code, plus (b) $10,000, may elect standard optional insurance in an amount which, when added to his/her basic insurance amount, does not exceed his/her annual rate of pay, rounded, if not an even thousand, to the next higher $1,000.

Subpart D—Withholdings

§871.401 Withholdings.

(a) During any period in any part of which an insured employee is in a pay status the employing agency shall withhold the full cost of his/her standard optional insurance from his/her pay.

(b)(1) Subject to the provisions of §871.604, the full cost of standard optional insurance shall be withheld from the annuity of an annuitant or from the compensation of a compensationer, except that there is no withholding for an annuitant or compensationer for coverage after the end of the calendar month in which he/she becomes 65 years of age.

(2) Withholdings are not required for the period between the end of the pay period in which an individual separates from service and the beginning of the annuity or compensation payments, if later.