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(3) Has had additional optional insurance in force for the 5 years of service immediately preceding separation from reemployment or for the full period(s) of service during which it was available to him/her, whichever is less.

If the additional optional insurance acquired during reemployment is so continued, any suspended additional optional insurance stops with no 31-day extension of coverage or right of conversion.

§ 872.605 Restored disability annuitants.

(a) An annuitant whose disability annuity is terminated because of restoration to earning capacity or recovery from disability and whose disability annuity is restored under section 8337(e) of title 5, United States Code, after December 31, 1983, may elect to resume additional optional insurance held immediately before his or her disability annuity was terminated if: (1) He or she made an election under § 870.603 of this chapter and (2) the election is received by OPM within 60 days after OPM mails the notice of insurance eligibility and election form.

(b) The additional optional insurance of an annuitant who meets the requirements of paragraph (a) of this section is effective on the first day of the month after the date OPM receives the election form. Any annuity withholdings applicable thereto are also reinstated on the first day of the month after the date OPM receives the election form.

(c) The amount of additional optional insurance reinstated under paragraph (a) of this section is the amount that would have been in force had the individual's annuity not been terminated.

[50 FR 42006, Oct. 17, 1985, and 51 FR 15744, Apr. 28, 1986]

§ 872.606 MRA-plus-10 annuitants.

The additional optional life insurance of an individual whose coverage terminated under § 872.501(a), and who meets the requirements for continuing additional optional insurance after retirement under § 872.501(b), resumes on the commencing date of annuity or on the date the application for annuity is received by OPM, whichever is later.

[55 FR 995, Jan. 11, 1990]

Subpart G—Assignments of Life Insurance

§ 872.701 Assignments.

An insured individual may irrevocably assign ownership of his or her life insurance coverage to one or more individuals, corporations, or trustees. Part 874 of this chapter describes how an insured individual may assign all incidents of ownership (except family optional insurance and accidental dismemberment insurance) to another person, corporation, or trustee. Part 874 also describes the effects of such assignment, procedures for making an assignment, and related matters.

[60 FR 51883, Oct. 4, 1995]

PART 873—FAMILY OPTIONAL LIFE INSURANCE

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AUTHORITY: 5 U.S.C. 8716; §873.201(b) also issued under sec. 153 of Pub. L. 104–134, 110 Stat. 1321.

SOURCE: 49 FR 3045, Jan. 25, 1984, unless otherwise noted.

Subpart A—Administration and General Provisions

§873.101 Actions on the policy.

Optional life insurance on family members (referred to in this part as ''family optional insurance'') shall be payable in accordance with an amendment to the policy purchased by OPM from the Metropolitan Life Insurance Co., 1 Madison Avenue, New York, N.Y. 10010, pursuant to section 8709 of title 5, United States Code, to provide group insurance coverage (referred to in this part as ''basic insurance''). Actions at law or in equity to recover on the policy, in which there is not alleged any breach of any obligations undertaken by the United States, shall be brought against the insurance company.

§873.102 Payment of benefits.

(a) Upon the death of an insured family member, family optional insurance benefits will be paid to the employee, annuitant, or compensationer responsible for withholdings under §873.401, except as provided in paragraph (b) of this section.

(b) Notwithstanding an assignment of life insurance under part 874, if the employee, annuitant, or compensationer dies before benefits are paid under this part, family optional insurance will be paid to the person(s) eligible for basic insurance benefits under 5 U.S.C. 8705(a).

[51 FR 39363, Oct. 28, 1986, as amended at 54 FR 13666, Apr. 5, 1989, and 54 FR 37093, Sept. 7, 1989]

§873.103 Correction of errors; initial decision and reconsideration.

The rules and procedures under §§870.102 and 870.103 are applicable in this part, subject to the provisions of §873.401(e).

[59 FR 66437, Dec. 27, 1994]

§873.104 Definitions.

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

[49 FR 3045, Jan. 25, 1984, as amended at 59 FR 66437, Dec. 27, 1994]

Subpart B—Coverage

§873.201 Eligibility

(a) Each employee who is insured for basic insurance and for whom uncanceled declination of family optional insurance is not in effect is eligible to elect the family 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 §873.202, 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 §873.205 and §873.604.

[49 FR 3045, Jan. 25, 1984, as amended at 61 FR 58460, Nov. 15, 1996]

§873.202 Election or declination.

(a) Except as otherwise provided in paragraph (b) of this section, each employee shall, on the form entitled Life Insurance Election, elect or decline the family optional insurance within 31 days after becoming eligible, unless

during earlier employment he/she filed an election or declination which remains in effect. The 31-day time limit begins to run on the first day after February 28, 1981, on which an individual meets the definition of an employee.

(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 or decline the family optional insurance within the prescribed time limit, the employee shall elect or decline the family optional insurance within 31 days after he/she is advised of that determination. Family 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 a 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 family optional insurance on the Life Insurance Election form does not have the family optional insurance.

§873.203 Effective date of insurance.

(a) The effective date of an election of family optional insurance is the first day on or after April 1, 1981, that 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 family optional insurance remains in effect until canceled as provided in §873.204. For an employee whose family optional insurance has stopped for a reason other than a declination or waiver, family 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 family 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 30, 1993.

[49 FR 3045, Jan. 25, 1984, as amended at 50 FR 26689, June 28, 1985; 58 FR 11954, Mar. 2, 1993]

§873.204 Declination.

(a) An insured person may cancel his/her family optional insurance at any time by filing a declination of family optional insurance or a waiver of basic insurance coverage. An employee files with the employing office. An annuitant files with OPM or other office which 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 family optional insurance becomes effective and family optional insurance stops at the end of the pay period in which the declination of waiver is properly filed, except that at the request of the employee or annuitant and upon proof satisfactory to the employing office that there was no family member eligible for coverage, the effective date of the cancellation may be made retroactive to the end of the pay period in which there ceased to be eligible family members.

(c) A declination of family optional insurance remains in effect until it is canceled as provided in §873.205.

[49 FR 3045, Jan. 25, 1984, as amended at 51 FR 36796, Oct. 16, 1986]

§873.205 Cancellation of declination.

(a) An employee who has declined the family optional insurance may elect it upon his or her marriage or divorce, or

upon the acquisition of an unmarried dependent child, or upon a spouse's death, if the enrollee has any dependent children. In order to be valid, the election must be filed with the employing office on the Life Insurance Election form no later than 60 days following the date of the event which permits the election. This 60-day time limit may be extended if the individual is not serving in a covered position on the date of the event, if the invididual separates from covered service prior to completion of the 60-day time limit, or if the event occurs during the period following a waiver of basic insurance when he/she is not eligible to cancel the waiver. This extension of the time may not exceed the 31-day time limit for electing insurance following employment in a covered position, or the 31-day period following the first day on which the individual becomes eligible to cancel a waiver of basic insurance.

(b) The effective date of an election under paragraph (a) of this section is the day the employing office receives the election and basic insurance is in force.

(c) An annuitant or compensationer is not eligible to make the election provided in paragraph (a) of this section.

(d)(1) A previous declination or waiver is automatically canceled at time or 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, family 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 family optional insurance on the Life Insurance Election form. 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 family 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 §873.202(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 family optional insurance upon application to his or her employing office before March 7, 1984.

(e)(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. Family 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 §873.203(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 family optional insurance.

[49 FR 3045, Jan. 25, 1984, as amended at 50 FR 26689, June 28, 1985; 54 FR 13666, Apr. 5, 1989, and 54 FR 37093, Sept. 7, 1989; 58 FR 11954, Mar. 2, 1993; 58 FR 45415, Aug. 30, 1993]

Subpart C—Amount of Insurance

§873.301 Amount of employee's insurance.

The amount of family optional insurance is $5,000 payable upon the death of a spouse and $2,500 payable upon the death of a child.

Subpart D—Withholdings

§873.401 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 family optional insurance from his/her pay.

(b)(1) Subject to the provisions of § 873.604, the full cost of family 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.

(c) The biweekly cost of family optional insurance applicable to employees, annuitants, and compensationers (not family members), until determined by OPM on the basis of experience to be otherwise, is—

For persons under age 35	$0.30
For persons ages 35 through 39	0.31
For persons ages 40 through 44	0.52
For persons ages 45 through 49	0.70
For persons ages 50 through 54	1.00
For persons ages 55 through 59	1.50
For persons age 60 or over	2.60

The amount withheld from pay, annuity, or compensation paid on other than a biweekly period shall be determined at a proportionate rate, adjusted to the nearest cent.

(d) For the purposes of this section, a person is deemed to attain 35, 40, 45, 50, 55, or 60 years on the first day of his/her pay period beginning on or after January 1 of the year following the one in which his/her corresponding birthday occurs.

(e) When an agency withholds less than or none of the proper cost of family optional life insurance from an individual's pay, annuity, or compensation, the agency must submit an amount equal to the uncollected deductions required under section 8714c of title 5, United States Code, to OPM for deposit in the Employee's Life Insurance Fund.

(f) A deposit to OPM as described in paragraph (e) of this section must be made as soon as possible but no later than 60 calendar days after the date the employing office determines the amount of the underdeduction that has occurred, regardless of whether or when the underdeduction is recovered by the agency. A subsequent agency determination whether to waive collection of an overpayment of pay caused by failure to properly withhold life insurance deductions shall be made in accordance with 5 U.S.C. 5584 as implemented by 4 CFR chapter I, subchapter G, unless the agency involved is excluded from application of 5 U.S.C. 5584, in which case any applicable authority to waive the collection may be used.

(g) *Direct premium payments under 5 U.S.C. chapter 84.* (1) If the annuity received under 5 U.S.C. chapter 84 (Federal Employees' Retirement System), excluding subchapter III of chapter 84 (Thrift Savings Plan), is too low to cover the family optional insurance premium, the retirement system will notify the annuitant of the opportunity to pay the premium directly to the retirement system.

(2) The retirement system shall establish a method for accepting direct payment for family optional insurance premiums from annuitants retiring under 5 U.S.C. chapter 84 whose annuities are too low to cover their premiums. The retirement system will provide the annuitant with a premium payment schedule and statment of the requirements for continued enrollment. The annuitant must continue to make direct payment of the premium even if the annuity increases to the extent that it covers the premium.

(3) The annuitant must remit to the retirement system the premium for family optional insurance for every pay period during which the coverage continues, exclusive of the 31-day temporary extension of coverage for conversion provided in § 873.501. Payment must be made after the pay period in which the individual is covered in accodance with a schedule established by the retirement system. If the retirement system does not receive payment by the date due, the retirement system will notify the annuitant by certified mail return receipt requested that continuation of coverage rests upon payment being made within 15 days after receipt of the notice. The family optional coverage of an annuitant who

fails to remit payment within the specified time frame will be terminated. An individual whose coverage is terminated because of nonpayment of premium may not re-elect or reinstate coverage; except as provided in paragraph (g)(4).

(4) If the individual was prevented by circumstances beyond his or her control from making payment within 15 days after receipt of the notice, he or she may request reinstatement of coverage by writing to the retirement system. Such a request must be filed within 30 calendar days from the date of termination and must be accompanied by verification that the individual was prevented by circumstances beyond his or her control from paying within the time limit. The retirement system will determine if the individual is eligible for reinstatement of coverage; and, when the determination is affirmative, the individual's coverage may be reinstated retroactively to the date of termination. If the determination is negative, the individual may request a review of the decision from OPM.

(5) Termination of enrollment for failure to pay premiums within the time frame established in accordance with subparagaph (g)(3) of this section is retroactive to the end of the last pay period for which payment has been timely received.

(6) The retirement system will submit all direct premium payments along with its regular life insurance premiums to OPM in accordance with procedures established by that office.

[49 FR 3045, Jan. 25, 1984, as amended at 49 FR 19288, May 7, 1984; 51 FR 25850, July 17, 1986; 51 FR 43337, Dec. 2, 1986; 52 FR 3398, Feb. 4, 1987; 52 FR 39495, Oct. 22, 1987; 58 FR 11954, Mar. 2, 1993]

Subpart E—Termination and Conversion

§ 873.501 Termination and conversion of insurance.

(a) The family optional insurance of an insured person stops when his/her basic insurance stops as provided in § 870.501 of this chapter, subject to a 31-day extension of family optional insurance coverage, except when the basic insurance stops due to a full Living Benefits election, in which case the family optional insurance will continue unless voluntarily cancelled by the insured.

(b) If, because of a declination or waiver, an insured employee has not had the family optional insurance during either:

(1) The full period(s) of service during which it was available to him/her; or

(2) For the five years of service immediately preceding the date on which that coverage stops (for annuitants) or the date of entitlement to compensation (for compensationers), the family optional insurance stops, subject to a 31-day extension of family optional insurance coverage, on the date that his/her basic life insurance is continued or reinstated under the provisions of §870.601 (during retirement) or §870.701 (during receipt of compensation) of this chapter. For this purpose, family optional insurance will not be deemed available to an employee during periods when the employee had no family members.

(c) If, at the time of an individual's election under §§ 870.601(b) or 870.701(b) of this chapter (for basic life insurance during receipt of annuity or compensation), he/she elects no basic life insurance (as provided under §§ 870.601(c)(1) or 870.701(c)(1) of this chapter), the family optional insurance stops at the end of the month in which the election is received in OPM, subject to a 31-day extension of coverage.

(d) Except as provided in § 873.401(g), the family optional insurance of an insured person who remains in a pay status stops, subject to a 31-day extension of coverage, at the end of the pay period in which it is determined that his/her periodic pay, compensation, or annuity after all other deductions, is insufficient to cover the full cost of the family optional insurance.

(e)(1) After termination of group coverage for any reason other than voluntary cancellation, an employee may, upon application and without medical examination, convert all or any part of his/her family optional insurance to an individual policy. The rates of the individual policy are the rates applicable to the employee's attained age and class of risk. An employee is eligible to convert the policy only if he/she does not return, within 3 calendar days from

the terminating event, to a position allowing coverage under the group plan.

(2) The employing agency must notify the employee of the loss of group coverage and the right to convert to an individual policy either prior to or immediately following the event causing the loss of coverage.

(3) The employee's request for conversion information must be submitted to the Office of Federal Employees' Group Life Insurance and postmarked within 31 days following the date of the terminating event or within 31 days of the date the employee received notice of loss of group coverage and right to convert, whichever is later.

(4) When an agency fails to provide the notification described in paragraph (e)(2) of this section, or the employee fails for other reasons beyond his/her control to request conversion as described in paragraph (e)(3) of this section, he/she may request conversion to an individual policy by writing to the Office of Federal Employees' Group Life Insurance. Such a request must be filed within six months after an employee becomes eligible to convert the family optional insurance. The employee must show that he/she was not notified of the loss of coverage and the right to convert, and was not otherwise aware of it, or that he/she was unable, for cause beyond his/her control, to convert the family optional insurance. The Office of Federal Employees' Group Life Insurance will determine if the employee is eligible to convert, and when the determination is affirmative, the employee may convert within 31 days of that determination.

(5) When an employee converts his/her family optional insurance anytime after the group coverage has ended, the individual plan coverage is retroactive to the day following the day the group coverage ended. The employee must pay the premiums due for the retroactive period.

(6) An employee who fails to exercise his/her right to convert to an individual policy within 31 days after receiving notice of the right to convert or within 31 days of the terminating event, whichever is later, is deemed as having declined coverage unless OFEGLI determines the failure was for cause beyond his/her control as described in paragraph (e)(4) of this section.

(f)(1) Following the death of an insured employee, annuitant or compensationer, or following the termination of group coverage of an employee for any reason other than voluntary cancellation, family members as defined by 5 U.S.C. 8701(d) may, upon application and without medical examination, convert their family optional insurance coverage to an individual policy. The rates of the individual policy are the rates applicable to the family member's attained age and class of risk. A family member is eligible to convert the policy only if the employee does not return, within 3 calendar days from the terminating event, to a position allowing coverage under the group plan.

(2) The employing agency must notify the employee of the loss of group coverage and the right to convert to an individual policy either prior to or immediately following the event (except in the event of death) causing the loss of coverage. A family member can not convert to an individual policy if the employee or former employee exercises his/her right of conversion under paragraph (e)(1) of this section. In the event of death, the employing office (for employees), the office which administers a retirement system for Federal employees (for annuitants), or the Office of Workers' Compensation Programs (for compensationers) will furnish the decedent's family members with a notice of loss of group coverage and the right to convert to an individual policy.

(3) The family member's request for conversion information must be submitted to the Office of Federal Employees' Group Life Insurance and postmarked within 31 days following the date of the terminating event or within 31 days of the date the family member received notice of the loss of group coverage and right to convert, whichever is later.

(4) When the employing office (for employees), the Office which administers the retirement system for Federal employees (for annuitants), or the Office of Workers' Compensation Programs (for compensationers) fails to provide the notification described in paragraph (f)(2) of this section, or the

family member fails for other reasons beyond his/her control to request conversion as described in paragraph (f)(3) of this section, he/she may request conversion to an individual policy by writing to the Office of Federal Employee's Group Life Insurance. Such a request must be filed within six months after a family member becomes eligible to convert the family optional life insurance. The family member must show that he/she was not notified of the loss of coverage and the right to convert, and was not otherwise aware of it, or that he/she was unable, for cause beyond his/her control, to convert the family optional insurance coverage. The Office of Federal Employees' Group Life Insurance will determine if the family member is eligible to convert, and when the determination is affirmative, the family member may convert within 31 days of that determination.

(5) When a family member converts his/her coverage anytime after the group coverage has ended, the individual plan coverage is retroactive to the day following the day the group coverage ended. The family member must pay the premiums due for the retroactive period.

(6) A family member who fails to exercise his/her right to convert to an individual policy within 31 days after receiving notice of the right to convert or within 31 days of the terminating event, whichever is later, is deemed as having declined coverage unless OFEGLI determines the failure was for cause beyond his/her control as described in paragraph (f)(4) of this section.

(g) The 31-day extension of coverage provided under this subpart cannot be extended beyond 31 days, nor is it contingent upon timely issuance of notice of the right of conversion to an individual policy.

(h) The amount of an individual policy as provided under paragraphs (e) or (f) of this section shall not be less than $1,000.

[49 FR 3045, Jan. 25, 1984, as amended at 50 FR 7905, Feb. 27, 1985; 53 FR 32368, Aug. 25, 1988; 60 FR 31375, June 15, 1995]

Subpart F—Annuitants and Compensationers

§ 873.601 Amount of insurance.

(a) The amount of family optional insurance (on each family member) continued during receipt of annuity or compensation reduces by two percent a month effective at the beginning of the second calendar month after (1) the date the insurance would otherwise have stopped, or (2) the annuitant's or compensationer's 65th birthday, whichever is later. At 12:00 PM on the day preceding the 50th reduction the insurance stops, with no extension of coverage or right of conversion.

(b) Judges retiring under 28 U.S.C. 371 (a) and (b), 28 U.S.C. 372(a), and 26 U.S.C. 7447 are considered employees under the Federal Employees' Group Life Insurance law. Insurance for these judges continues without interruption or diminution upon retirement. The amount of family optional insurance for a judge who elects to receive compensation in lieu of annuity will be computed in accordance with paragraph (a) of this section.

[49 FR 3045, Jan. 25, 1984, as amended at 56 FR 55052, Oct. 24, 1991]

§ 873.602 Termination of annuity or compensation.

If the annuity or compensation paid to an insured person is terminated, or if the Department of Labor finds that an insured person receiving compensation is able to return to duty, family optional insurance held as an annuitant or compensationer stops, with no 31-day extension of coverage or right of conversion, on the date of that termination or finding.

§ 873.603 Waiver or suspension of annuity or compensation.

(a) Except as provided in paragraph (b) of this section, when annuity or compensation is waived or suspended, family optional insurance continues. When payment of either annuity or compensation is resumed, the paying office shall withhold the full cost of the insurance for the period of waiver or suspension during which the person is under age 65.

(b) If suspension of annuity or compensation is because of reemployment, the reemploying office shall withhold the full cost of the insurance during each pay period of reemployment.

§ 873.604 Reemployed annuitants.

(a)(1) An annuitant appointed to a position in which he/she is not excluded from basic insurance coverage by law or regulation is eligible for family optional insurance as an employee. If he/she has family optional insurance as a retired employee, that insurance (and any corresponding withholdings) is suspended on the day preceding his/her first day in a pay status under the appointment and, unless he/she files with his/her employing office a declination of family optional insurance (or a waiver of basic insurance), he/she acquires family optional insurance as an employee.

(2) Except as provided in paragraph (b) of this section, the family optional insurance acquired as an employee stops, with no 31-day extension or right of conversion, on the date reemployment terminates and any suspended family optional insurance which may remain in force following reductions after age 65 (and corresponding annuity withholdings, if any) is reinstated on the day following termination of the reemployment.

(b) Family optional insurance acquired during reemployment may be continued after termination of the reemployment if the retired employee:

(1) Qualifies for a supplemental annuity or acquires a new retirement right,

(2) Continues his/her basic insurance under paragraph (c)(2), (c)(3) or (c)(4) of § 870.601 of this chapter, and

(3) Has had family optional insurance in force for the 5 years of service immediately preceding separation from reemployment or for the full period(s) of service during which it was available to him/her, whichever is less.

If the family optional insurance acquired during reemployment is so continued, any suspended family optional insurance stops with no 31-day extension of coverage or right of conversion.

§ 873.605 Restored disability annuitants.

(a) An annuitant whose disability annuity is terminated because of restoration to earning capacity or recovery from disability and whose disability annuity is restored under section 8337(e) of title 5, United States Code, after December 31, 1983, may elect to resume family optional insurance held immediately before his or her disability annuity was terminated if:

(1) He or she has made an election under § 870.603 of this chapter; and

(2) The election is received by OPM within 60 days after OPM mails a notice of insurance eligibility and election form.

(b) The family optional insurance of an annuitant who meets the requirements of paragraph (a) of this section is effective on the first day of the month after the date OPM receives the election form. Any annuity withholdings applicable thereto are also reinstated on the first day of the month after OPM receives the election form.

(c) The amount of family optional insurance reinstated under paragraph (a) of this section is the amount that would have been in force had the individual's annuity not been terminated.

[50 FR 42006, Oct. 17, 1985, and 51 FR 15744, Apr. 28, 1986]

§ 873.606 MRA-plus-10 annuitants.

The family optional life insurance of an individual whose coverage terminated under § 873.501(a), and who meets the requirements for continuing family optional insurance after retirement under § 873.501(b), resumes on the commencing date of annuity or on the date the application for annuity is received by OPM, whichever is later.

[55 FR 995, Jan. 11, 1990]

Subpart G—Definition of Family Member

§ 873.701 Definition of family member.

For the purposes of this part, the terms *spouse* and *child* shall mean a spouse and unmarried dependent child within the meaning of these terms under the definition of ''family member'' under 5 U.S.C. 8701(d).

§ 873.702 Proof of dependency.

(a) A child is considered to be dependent on a employee or former employee if he/she is:

(1) A legitimate child,

(2) An adopted child,

(3) A stepchild or recognized natural child who lived with the employee or former employee in a regular parent-child relationship,

(4) A recognized natural child for whom a judicial determination of support has been obtained, or

(5) A recognized natural child to whose support the employee or former employee makes regular and substantial contribution.

(b) For the purposes of a claim under this part, an otherwise eligible child must have been dependent on the employee or former employee at the time of the child's death in order to qualify as a family member.

(c) The following are examples of proof of regular and substantial support. More than one of the following proofs may be required to show support.

(1) Evidence of eligibility as a dependent child for benefits under State or Federal programs,

(2) Proof of inclusion of the child as a dependent on the employee's or former employee's income tax returns,

(3) Canceled checks, money orders, or receipts for periodic payments from the employee or former employee for or on behalf of the child.

(4) Evidence of goods or services which show regular and substantial contributions,

(5) Any other evidence which the Office of Federal Employees' Group Life Insurance shall find to be sufficient proof of support or of paternity or maternity.

(d) The Office of Federal Employees' Group Life Insurance may deny an individual coverage as a dependent child, if:

(1) Evidence shows that the employee or former employee did not recognize the child as his/her own despite a willingness to support the child, or

(2) Evidence calls the child's paternity or maternity into doubt, despite the employee's or former employee's recognition and support of the child.

(e) For the purposes of an employee's election of family optional insurance upon the acquisition of a child, as provided in § 873.205, the employing agency shall base any requisite determination of dependency on the criteria expressed in paragraphs (a), (c), and (d) of this section.

§ 873.703 Child incapable of self-support.

(a) Upon receipt of a claim for family optional insurance in the event of death of a child over the age of 21 years, the Office of Federal Employees' Group Life Insurance shall determine, on the basis of such evidence as it deems necessary, whether the deceased child was incapable of self-support because of a mental or physical disability which existed before the child became 22 years of age.

(b) In the event of an employee's election of family optional insurance under § 873.205, where the opportunity to elect is based solely on the acquisition of a child over age 21, the employee shall submit to the employing office at the time of filing the election, a certificate of the physician that the child is incapable of self-support because of a physical or mental disability which existed before the child became 22 years of age, and which can be expected to continue for more than one year. The certificate shall include a statement of the name of the child, the nature of his/her disability, the period of time it has existed, and its probable future course and duration. The certificate shall be signed by the physician and show his/her office address.

PART 874—ASSIGNMENT OF LIFE INSURANCE

Subpart A—Definitions of Terms

Sec.

874.101 Definitions.

Subpart B—Coverage

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874.202 Rights of the assignee.
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Subpart C—Assignment Procedures

874.301 Making an assignment.