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to be insured during the 1995 Open Season. The employee will be permitted to submit an affirmative election of coverage within 31 days after he/she is advised of that determination. Basic life insurance coverage in that case is retroactive to the 1st day of the first pay period beginning on or after July 21, 1995.

[49 FR 3034, Jan. 25, 1984, as amended at 50 FR 26688, June 28, 1985; 51 FR 21497, June 13, 1986; 58 FR 11954, Mar. 2, 1993; 60 FR 31372, June 15, 1995]

Subpart C—Amount of Insurance

§ 870.301 Basic insurance amount (BIA).

(a) An employee's basic insurance amount (BIA) is the greater of (1) his/her annual rate of basic pay, rounded to the next higher multiple of $1,000, plus $2,000, or (2) $10,000. However, in no event may the BIA be more than the annual rate of pay for positions at Level II of the Executive Schedule under section 5313 of title 5, U.S.C., rounded to the next higher thousand, plus $2,000. The BIA of an individual who is entitled to continue basic life insurance coverage as an annuitant or compensationer is the BIA in effect at the time the insurance to which he/she is entitled as an employee would stop under § 870.501.

(b) Effective on the first day of the first pay period beginning on or after October 1, 1981, the amount of an employee's basic life insurance coverage is equal to his/her BIA multiplied by the appropriate factor determined on the basis of the age of the insured individual, as follows:

Age	Factor
35 or under	2.0
36	1.9
37	1.8
38	1.7
39	1.6
40	1.5
41	1.4
42	1.3
43	1.2
44	1.1
45 or over	1.0

(c) The post-election BIA of an employee who elected a partial Living Benefit is the BIA as of the date OFEGLI received the completed Living Benefit application reduced by the percentage which the partial lump-sum payment represents of the pre-election BIA multiplied by the age factor as stated in § 870.301(b)(rounded up or down to the nearest multiple of $1,000 or, if midway between multiples, to the next higher multiple of $1,000). The post-election BIA will not change after the effective date of the partial Living Benefit election. For purposes of computing the payment of benefits upon the death of the insured individual who elected a partial Living Benefit, the BIA will be multiplied by the age factor in effect as of the date OFEGLI received the completed Living Benefit application.

[49 FR 3034, Jan. 25, 1984, as amended at 60 FR 31373, June 15, 1995]

§ 870.302 Annual rates of pay.

(a) An insured employee's annual pay is his/her annual rate of basic pay as fixed by law or regulation, except that annual pay for this purpose shall include—

(1) Standby duty premium pay under 5 U.S.C. 5545(c)(1);

(2) For a law enforcement officer as defined in §§ 831.902 or 842.802, administratively uncontrollable overtime pay under 5 U.S.C. 5545(c)(2); and

(3) Availability pay under 5 U.S.C. 5545a.

(b) A pay rate of other than annual salary is converted to an annual rate by multiplying the prescribed rate by the number of pay units in a 52-week work year.

(c) The annual pay for a part-time employee is his/her basic pay applicable to his/her tour of duty in a 52-week work year.

(d) The annual pay for an employee who legally and concurrently serves in more than one position, other than as a part-time flexible schedule employee in the Postal Service, is the sum of the annual basic pay fixed by law or regulation for each position.

[49 FR 3034, Jan. 25, 1984, as amended at 59 FR 66154, Dec. 23, 1994]

Subpart D—Withholdings and Contributions

§ 870.401 Withholdings and contributions.

(a) During each pay period in which an insured employee is in pay status for any part of the period, $0.165 for each $1,000 of the employee's BIA shall be withheld from the biweekly pay of the employee. The amount withheld from the pay of an employee who is paid on other than a biweekly basis is determined at a proportionate rate, adjusted to the nearest one-tenth of one cent.

(b) The amount withheld from the pay of an insured employee whose annual pay is paid during a period shorter than 52 workweeks is the sum obtained by converting the biweekly rate of $0.165 for each $1,000 of the employee's BIA to an annual rate and prorating the annual rate over the number of installments of pay regularly paid during the year.

(c) The amount withheld from the pay of an insured employee whose BIA changes during a pay period is based on the last BIA in force during the pay period.

(d) For each period in which an employee is insured there shall be contributed from the respective appropriation or fund which is used for the payment of his/her pay (or, in the case of an elected official, from such appropriation or fund as may be available for payment of other pay of the same office or establishment) an amount equal to one-half the amount withheld from the employee's pay.

(e) Notwithstanding the preceding paragraphs of this section, the United States Postal Service contributes the full cost of basic insurance, that is, the sum of the amounts otherwise to be withheld and contributed under paragraphs (a), (b), (c), and (d) of this section, for each period in which an employee of the United States Postal Service is insured.

(f)(1) Except as provided under paragraph (g) of this section, an insured person who elects continued basic life insurance coverage during receipt of annuity or compensation payments as provided under §870.601(c)(2) or §870.701(c)(2) (maximum reduction of 75 percent after age 65) shall have withheld from his/her payments basic life insurance withholdings at the monthly rate (for annuitants) of $0.3575 for each $1,000 of the BIA or at the weekly rate (for compensationers) of $0.0825 for each $1,000 of the BIA.

(2) An insured person who elects continued basic life insurance coverage during receipt of annuity or compensation payments as provided under §§870.601(c)(3) or 870.701(c)(3) (maximum reduction of 50 percent after age 65) shall have withheld from his/her payments basic life insurance withholdings at the monthly rate (for annuitants) of $0.52 for each $1,000 of the BIA or at the weekly rate (for compensationers) of $0.12 for each $1,000 of the BIA.

(3) An insured person who elects continued basic life insurance coverage during receipt of annuity or compensation payments as provided under §§870.601(c)(4) or 870.701(c)(4) (no reductions) shall have withheld from his/her payments basic life insurance withholdings at the monthly rate (for annuitants) of $1.69 for each $1,000 of the BIA or at the weekly rate (for compensationers) of $0.39 for each $1,000 of the BIA.

(g)(1) Basic life insurance withholdings required under paragraph (f)(1) of this section shall not be made for any month after the calendar month in which the individual becomes 65 years of age and shall not apply for an individual who retires or commences compensation payments before January 1, 1990. For purposes of this paragraph, an individual who separates from service after meeting the requirements for an immediate annuity under 5 U.S.C. 8412(g) is deemed to retire on the day before the annuity commences.

(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.

(h) When an agency withholds less than or none of the proper amount of basic life insurance deductions from an individual's pay, annuity, or compensation, the agency must submit an amount equal to the sum of the uncollected deductions and any applicable agency contributions required under