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§ 872.204 Declination.

(a) An insured person may cancel entirely or reduce the number of multiples of his/her additional optional insurance at any time by filing a declination or request to reduce the number of multiples of additional 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 additional optional insurance becomes effective and additional optional insurance stops at the end of the pay period in which the declination or waiver is properly filed. A reduction in the number of an employee's additional optional insurance multiples is effective at the end of the pay period in which the Life Insurance Election form is received in his/her employing office. A reduction in the number of a retired employee's or compensationer's additional optional insurance multiples is effective at the end of the pay period in which the request to reduce coverage is properly filed.

(c) A declination or reduction in multiples of additional optional insurance remains in effect until it is canceled as provided in § 872.205.

§ 872.205 Cancellation of declination.

(a)(1) An employee who has declined the additional optional insurance may elect it if:

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

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

(2) An employee who has declined additional optional insurance may elect it upon his/her marriage or divorce, or upon a spouse's death, or upon the acquisition of an unmarried dependent child within the meaning of section 8701(d) of title 5, United States Code, and subpart G of part 873 of this chapter. In order to be valid, the election must be filed with the employing office on the Life Insurance Election form no more 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, or if the individual separates from covered service prior to completion of the 60-day time limit. This extension of the time limit may not exceed the 31-day time limit for electing insurance following employment in a covered position. The number of multiples which an employee may obtain upon marriage, divorce, death of a spouse or acquisition of unmarried dependent children is limited to the following:

(i) For marriage, the number of additional family members (spouse and/or dependent children) associated with the marriage;

(ii) For acquisition of children, the number of additional children acquired;

(iii) For divorce or death of a spouse, the total number of dependent children of the enrollee.

(3) An employee who has in force additional optional insurance of at least one but fewer than five multiples of annual pay may increase the number of multiples if:

(i) At least 1 year has elapsed since the effective date of his/her last election of fewer than five multiples (including a reduction in the number of multiples); and

(ii) He/she furnishes satisfactory evidence of insurability. The requirement that at least 1 year elapse since the effective date of the last election does not apply when an employee elected fewer than five multiples because of the limitation on the number of multiples which may be elected under paragraph (a)(2) or (a)(4) of this section.

(4) An employee who has in force additional optional insurance of at least one but fewer than five multiples of annual pay may elect to increase the number of multiples upon his/her marriage or divorce, or upon a spouse's death, or upon the acquisition of an unmarried dependent child within the meaning of section 8701(d) of title 5, United States Code, and subpart G of part 873 of this chapter. To be valid, the election to increase the number of multiples must be filed with the employing office on the Life Insurance

Election form no more than 60 days following the date of the event which permits the increase. This 60-day time limit may be extended if the individual is not serving in a covered position on the date of the event, or if the individual separates from covered service prior to completion of the 60-day time limit. This extension of the time limit may not exceed the 31-day time limit for electing insurance following employment in a covered position. The number of multiples which an employee may obtain upon marriage, divorce, death of a spouse or acquisition of unmarried dependent children is limited to the following:

(i) For marriage, the number of additional family members (spouse and/or dependent children) associated with the marriage;

(ii) For acquisition of children, the number of additional children acquired;

(iii) For divorce or death of a spouse, the total number of dependent children of the enrollee.

(5)(i) 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, additional 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 additional 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 additional 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 §872.202(b).

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

(b)(1) The effective date of the additional optional insurance or of an increased number of multiples of additional optional insurance elected under paragraph (a)(1) or (a)(3) of this section is the first day the employee actually enters on duty in a pay status, on or after the day his/her election is received in his/her employing office following the approval of his/her Request for Insurance by the Office of Federal Employees' Group Life Insurance established by the insurance company. This approval is revoked automatically and the additional 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.

(2) The effective date of an election under paragraph (a)(2) or (a)(4) of this section is the first day the employee actually enters on duty in pay status, on or after the day his/her election is received in the employing office and the basic insurance is in force.

(c) An annuitant or compensationer is not eligible to cancel a declination under this section, nor to increase multiples of additional optional insurance.

(d)(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 19 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. Additional 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 §872.203(c) to acquire coverage. Failure

on the part of the employee to file within the 31 days prescribed in this paragraph shall be deemed a declination of additional optional insurance.

[49 FR 3042, Jan. 25, 1984, as amended at 50 FR 26689, June 28, 1985; 51 FR 21497, June 13, 1986; 54 FR 13665, 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

§ 872.301 Amount of employee's insurance.

An eligible employee may elect additional optional insurance of 1, 2, 3, 4, or 5 multiples of his/her annual pay. For this purpose, each multiple is equal to the lowest multiple of $1,000 which is not less than the current rate of the employee's annual pay as determined under § 870.302 of this chapter. A multiple shall not exceed 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, rounded to the next higher multiple of $1,000.

Subpart D—Withholdings

§ 872.401 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 additional optional insurance from his/her pay.

(b)(1) Subject to the provisions of § 872.604, the full cost of additional 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 full cost per $1,000 of additional optional insurance in force, until determined by OPM on the basis of experience to be otherwise, is—

For persons under age 35.....$0.04
For persons ages 35 through 39.....0.05
For persons ages 40 through 44.....0.07
For persons ages 45 through 49.....0.11
For persons ages 50 through 54.....0.18
For persons ages 55 through 59.....0.30
For persons age 60 or over.....0.70

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 one-tenth of one cent.

(d) For the purposes of this section, a person is deemed to attain 35, 40, 45, 50, 55, or 60 years of age 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) The amount withheld from the pay of an insured person whose annual pay is paid during a period shorter than 52 workweeks is the sum obtained by converting the biweekly rate for his/her age group to an annual rate and prorating the annual rate over the number of installments of pay regularly paid during the year.

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

(g) When an agency withholds less than or none of the proper cost of additional 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 8714b of title 5, United States Code, to OPM for deposit to the Employees' Life Insurance Fund.

(h) The deposit to OPM as described in paragraph (g) 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.