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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.