AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Subpart F—Annuitants and Compensationers

§ 872.601 Amount of insurance.

(a) Each multiple of additional optional insurance 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 insured'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) The number of multiples of additional optional insurance which may be continued during receipt of annuity or compensation is the smallest number of multiples in force during the applicable period of service required for continuation of the additional optional insurance during receipt of annuity or compensation payments.

(c) 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 additional 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 3042, Jan. 25, 1984, as amended at 51 FR 39363, Oct. 28, 1986]

§ 872.602 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, additional 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.

§ 872.603 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, additional optional insurance continues. When payment of the 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.

§ 872.604 Reemployed annuitants.

(a)(1) An annuitant appointed to a position in which he/she is not excluded from basic insurance by law or regulation is eligible for additional optional insurance as an employee, unless he/she has on file an uncanceled waiver of basic insurance or declination of additional optional insurance. If he/she has additional optional insurance as an annuitant, that insurance (and any applicable annuity withholdings) continues as if the individual were not reemployed, unless (i) the person files with his/her employing office within 31 days following the date of reemployment an election of additional optional insurance on the Life Insurance Election form, in which case the additional optional insurance (and corresponding annuity withholdings) as an annuitant is suspended effective on the date that the additional optional insurance as an employee becomes effective, or (ii) the person files a waiver of basic insurance.

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

(b) Additional optional insurance acquired during reemployment may be continued after termination of the reemployment if the annuitant:

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

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

(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

Subpart A—Administration and General Provisions

Sec.

873.101 Actions on the policy.
873.102 Payment of benefits.
873.103 Correction of an errors; initial decision and reconsideration.
873.104 Definitions.

Subpart B—Coverage

873.201 Eligibility.
873.202 Election or declination.
873.203 Effective date of insurance.
873.204 Declination.
873.205 Cancellation of declination.

Subpart C—Amount of Insurance

873.301 Amount of employee's insurance.

Subpart D—Withholdings

873.401 Withholdings.

Subpart E—Termination and Conversion

873.501 Termination and conversion of insurance.

Subpart F—Annuitants and Compensationers

873.601 Amount of insurance.