



Benefits Administration Letter

Number: 11-309

Date: November, 2011

Subject: Federal Employees' Group Life Insurance (FEGLI) Program: Announcing New FEGLI Premiums

This Benefits Administration Letter (BAL) transmits new withholding rates for coverage under the Federal Employees' Group Life Insurance (FEGLI) Program. The new rates are effective with the first day of the first pay period beginning on or after January 1, 2012.

Background

The Office of Personnel Management (OPM) is announcing changes in premiums for certain Federal Employees' Group Life Insurance (FEGLI) categories. These include changes to premiums for Option B (most age bands), Option C (all age bands), and Post-Retirement Basic Insurance.

There will be no change in premiums for Basic Employee or Option A coverage.

New Premiums

OPM has completed a study of funding and claims experience within the FEGLI Program. Based on this updated actuarial analysis of actual claims experience, OPM has determined that changes are required to Option B, Option C, and Post-Retirement Basic premiums.

Experience in all Option B age groups, other than the oldest groups (ages 75-79 and 80 and over), shows we should make a slight decrease in premiums. We are reducing premiums for the following age bands for Option B: Under 35, 35-39, 40-44, 45-49, 50-54, 55-59, 60-64, 65-69, and 70-74. The last premium change to Option B was implemented in 2005.

We are also reducing Option C premiums for enrollees under age 45, and increasing premiums for age groups age 45 and over. We are decreasing premiums for the following age bands: Under 35, 35-39, and 40-44. We are increasing premiums for the following age bands: 45-49, 50-54, 55-59, 60-64, 65-69, 70-74, 75-79, and 80 and over. The last premium change to Option C was implemented in 2005.

The extra premium for Post-Retirement Basic FEGLI will increase for those enrollees who elected the 50% Reduction and No Reduction at retirement. The extra premium for the 50% Reduction election for Basic insurance is \$0.64 per \$1,000 of coverage; and the extra premium for the No Reduction election for Basic insurance is \$1.94 per \$1,000 of coverage. The last premium change to Post-Retirement Basic FEGLI was implemented in 2003.

Effective Date

The effective date for the new premiums is **January 1, 2012**. Payroll offices must apply the new premiums the first pay period beginning on or after that date.

UPDATED INFORMATION ON THE WEB

The FEGLI premium rates will be updated on the FEGLI web site (www.opm.gov/insure/life) in January 2012.

We are also updating the FEGLI Handbook to reflect the new information. Until the updates are ready, employees should be informed of the changes by the agency (Attachment 1).

If you have any questions regarding this information, please send an email to finance@opm.gov or call us on (202) 606-0606.

Emily Dean
Associate Chief Financial Officer
Financial Services

Attachment

ATTACHMENT

FEDERAL EMPLOYEES' GROUP LIFE INSURANCE (FEGLI) PROGRAM:
ANNOUNCING NEW FEGLI PREMIUMS

There are no changes to premium rates for Option A or employee Basic insurance.

The new FEGLI premium rates for Option B, Option C and the Post-Retirement Basic Option are as follows:

Option B Premium per \$1,000 of Insurance

Age Band	Biweekly	Monthly
Under 35	\$0.02	\$0.043
35-39	\$0.03	\$0.065
40-44	\$0.05	\$0.108
45-49	\$0.08	\$0.173
50-54	\$0.13	\$0.282
55-59	\$0.23	\$0.498
60-64	\$0.52	\$1.127
65-69	\$0.62	\$1.343
70-74	\$1.14	\$2.470
75-79	\$1.80	\$3.900
80 and over	\$2.40	\$5.200

The premiums for compensationers who are paid every four weeks are two times the biweekly premium.

Option C Premium per Multiple of Insurance

Age Band	Biweekly	Monthly
Under 35	\$0.22	\$0.48
35-39	\$0.29	\$0.63
40-44	\$0.42	\$0.91
45-49	\$0.63	\$1.37
50-54	\$0.94	\$2.04
55-59	\$1.52	\$3.29
60-64	\$2.70	\$5.85
65-69	\$3.14	\$6.80
70-74	\$3.60	\$7.80
75-79	\$4.80	\$10.40
80 and over	\$6.60	\$14.30

*Civil Service
Retirement
System*

*Federal Employees'
Group Life
Insurance Program*

*Federal Employees
Health Benefits
Program*

*Federal Employees
Retirement
System*

*Federal Long
Term Care
Insurance
Program*

The premiums for compensationers who are paid every four weeks are two times the biweekly premium.

Annuitant Basic Premium per \$1,000 of Insurance

Election	Monthly withholding for each \$1,000 of your BIA before age 65	Monthly withholding for each \$1,000 of your BIA after age 65
75% Reduction	\$0.3250	No cost
50% Reduction	\$0.9650	\$0.64
No Reduction	\$2.2650	\$1.94

Compensationer Basic Premium per \$1,000 of Insurance

Election	Withholding every 4 weeks for each \$1,000 of your BIA before age 65	Withholding every 4 weeks for each \$1,000 of your BIA after age 65
75% Reduction	\$0.30	No Cost
50% Reduction	\$0.89	\$0.59
No Reduction	\$2.09	\$1.79

These rates will be effective the first pay period beginning on or after January 1, 2012.