

OPM announces FEGLI open season for 2016

In fall of 2016, letter carriers will have their first chance in 11 years to sign up for federal group life insurance without having to undergo a physical exam or major life event.

The Office of Personnel Management (OPM) will hold an open season Sept. 1 through Sept. 30, 2016, to allow federal employees to get coverage under the Federal Employees Group Life Insurance (FEGLI) program. During open season, letter carriers and other federal employees may enroll in FEGLI, or increase their coverage, without taking a physical exam or waiting for a qualifying life event (marriage, divorce, death of spouse or an eligible child joining the family).

Open seasons for FEGLI happen infrequently—the last one was in 2004. FEGLI only provides term life insurance, which does not build up any cash value or paid-up value. While most career federal employees are automatically enrolled in the basic FEGLI coverage and pay the premiums through payroll deduction unless they decline the coverage, there are three optional forms of coverage available for those who already have basic coverage, and employees must take action to elect any of these options since they are not automatic.

Coverage elected during the open season will be effective the first pay period beginning on or after Oct. 1, 2017. Carriers who are happy with

their existing FEGLI coverage don't need to do anything during open season to continue the coverage. You can reduce or cancel your FEGLI coverage at any time without waiting for an open season.

The federal government established FEGLI in 1954. With more than 4 million federal employees, retirees and family members, it is the largest group life insurance program in the world.

For a postal employee, the cost of basic insurance is covered completely by the Postal Service. The basic insurance amount is equal to the greater of a) your annual rate of pay (rounded up to the next even \$1,000) plus \$2,000, or b) \$10,000. Additionally, employees under 45 get the Extra Benefit, which doubles the amount of your basic insurance if you die when you are 35 or younger. The Extra Benefit decreases 10 percent each year until there is no Extra Benefit left.

With the optional insurance choices, including options for spouse and family coverage, you pay the full cost, which depends on your age. If you are outside of the open season, you may only change your options with a qualifying life event or by taking a physical.

The Office of Federal Employees' Group Life Insurance (OFEGLI), which is a private entity that has a contract with the federal government, processes and pays claims under the FEGLI program.

Look for more discussion about FEGLI open season, including options, rates and how to decide whether to apply for coverage, in future issues of *The Postal Record*. **PR**

