

FEGLI-April 2014

TERMINATION AND CONVERSION

- **Difference between Cancellation and Termination**
- **Termination of Employees' Basic Insurance**
- **Termination of Employees' Optional Insurance**
- **Concurrent Employment**
- **31-Day Extension of Coverage**
- **Conversion of Insurance**
- **Conversion for Family Members**
- **Employing Office Responsibilities**
- **Time Limit and Effective Date**
- **Termination of Annuitants' and Compensationers' Insurance**
- **Historical Information**

DIFFERENCE BETWEEN CANCELLATION AND TERMINATION

- **Coverage Stops**
- **Cancellation**
- **Termination**

Coverage Stops

With both cancellation and termination, your FEGLI coverage stops.

Cancellation

Cancellation of coverage is a voluntary action. With cancellation you do not get a 31-day extension of coverage or a right to convert. Cancellation also affects your ability to continue coverage into retirement.

Cancellation takes place in one of two ways:

- By making a written request. If you are an employee, you complete a *Life Insurance Election* (SF 2817) canceling some or all of your coverage and submit it to your agency employing office. If you are an annuitant or a compensationer, you send a letter to OPM's Retirement Operations Office requesting that some or all of your coverage be cancelled; or
- You are on direct pay and you do not pay your premiums.

FEGLI-April 2014

Termination

Termination of coverage is an involuntary action. With termination you get a 31-day extension of coverage and a right to convert. Termination does not affect your eligibility to continue coverage into retirement.

Exception: If the annuity or compensation of an insured individual is terminated, or if the Department of Labor finds that an insured compensationner is able to return to duty, his/her FEGLI coverage held as an annuitant or compensationner stops on the date of the termination or finding. There is no 31-day extension of coverage or conversion right.

TERMINATION OF EMPLOYEES' BASIC INSURANCE

- **Separation from Service**
- **Nonpay Status**
- **Insufficient Pay**
- **Move to an Excluded Position**

Separation from Service

Your Basic insurance terminates (stops) at the end of the day on which you separate from service.

Exceptions:

- If you transfer to a FEGLI eligible position in another agency with no break in service, your insurance continues
- If you separate for retirement, you may be eligible to continue your coverage
- If you separate from service to enter the military, you are considered to be in a nonpay status for FEGLI purposes. As long as you have reemployment rights under USERRA (The Uniformed Services Employment and Reemployment Rights Act of 1994), you can keep your FEGLI coverage for up to 24 months in nonpay status, or until 90 days after your military service ends, whichever date comes first. Coverage is free for the first 12 months; however, employees must pay both the employee and agency contributions of premiums for their Basic coverage and continue to pay the entire cost (there is no agency share) for any Optional insurance they may have for the additional 12 months of coverage. If you wish to continue coverage after the first 12 months in nonpay status you must elect to do so prior to the end of the first 12 months in a manner designated by your agency. At the end of 12 months (or 90 days after the military service ends, whichever

FEGLI-April 2014

gives you more time), the coverage terminates unless you elect to continue it for the additional 12 months.

- If you were employed by the Department of Defense in support of the Civilian Marksmanship Program the day before the Program was transferred to a private corporation, and you accepted employment by this corporation as part of the transition, your FEGLI continued unless you opted out of Federal benefits. You may continue your FEGLI coverage as long as you remain employed by the corporation.
- If you were employed by the Senate Restaurants the day before the Program was transferred to a private business concern, and you accepted employment with this contractor, your FEGLI continued unless you opted out of Federal benefits. A Senate restaurant employee who had life insurance coverage on the date of transfer to a private business concern on or after July 17, 2008, and who elected to continue FEGLI coverage and their retirement coverage under either chapter 83 or 84 of title 5, United States Code, is eligible for FEGLI during continuous employment with the private contractor, unless the employee opts out of the FEGLI program.

Nonpay Status

Your Basic insurance stops at the end of the day on which you complete 12 months in nonpay status.

Exceptions:

- If you are in nonpay status while receiving workers' compensation, you may be eligible to continue your coverage; or
- If you are in one of the special nonpay situations, you may be eligible to continue your coverage beyond 12 months; or
- If you are active duty military and you elected to continue insurance for an additional 12 months.

Insufficient Pay

If your pay is insufficient to make any premium withholdings (including if you are in insufficient pay due to a [government furlough](#)), and you do not elect to make direct payments, your coverage terminates at the end of the pay period in which the last premium withholding was made.

Move to an Excluded Position

Your Basic insurance stops at the end of the day before the day on which you move to a position in which eligibility for life insurance is excluded. See "Employees Excluded from Coverage" for exceptions.

FEGLI-April 2014

TERMINATION OF EMPLOYEES' OPTIONAL INSURANCE

- **Relation to Basic Insurance**
- **Retirement and Compensation**
- **Insufficient Pay**

Relation to Basic Insurance

Your Optional insurance stops when your Basic insurance stops.

Retirement and Compensation

If you are eligible to continue Basic insurance as an annuitant or compensation, but not some or all of your Optional insurance, the Optional insurance you are not eligible to continue into retirement or compensation stops at the end of the day before Basic insurance is continued into retirement or compensation.

Insufficient Pay

If your pay is insufficient to make premium withholdings for your Optional insurance, and you do not elect to make direct payments for your FEGLI premiums, your Optional insurance terminates at the end of the pay period in which the last premium withholding was made.

If your pay is sufficient for some of the withholdings, but not all, your employing office will terminate coverage in the following order:

- The multiples of Option C; then
- Option A; then
- The multiples of Option B

CONCURRENT EMPLOYMENT

Your FEGLI terminates if:

- You are serving in more than one position; and
- One of the positions is an excluded position; and

FEGLI-April 2014

- You complete 12 months in nonpay status in the FEGLI eligible position

Your FEGLI continues if you complete 12 months in nonpay status in the excluded position. At the end of 12 months, your coverage will be based on the salary in the FEGLI eligible position.

Your FEGLI continues if you separate from the FEGLI eligible position. Your coverage will be based on the salary in the excluded position.

31-DAY EXTENSION OF COVERAGE

When your life insurance stops, except by waiver or cancellation, your coverage automatically continues for an additional 31 days after the termination date. No premiums or Government contributions are required during the 31-day extension. This extension does not include accidental death and dismemberment coverage.

There is no extension of coverage during the following situations:

- When you waive or cancel your insurance
- When your annuity or compensation is terminated and your FEGLI stops
- When a family member loses his/her eligibility under Option C
- When your coverage has been terminated more than 31 days.

CONVERSION OF INSURANCE

- **Conversion Privilege**
- **Individual Policy**
- **Process**

Conversion Privilege

When your group life insurance terminates, you are entitled to convert your coverage to an individual non-FEGLI policy. *Exception:* If you return to Federal service in a FEGLI eligible position within three calendar days after the date your insurance stops, your coverage will continue and you are not eligible to convert.

There is no conversion privilege if you cancel your coverage.

FEGLI-April 2014

There is no conversion privilege when your annuity or compensation is terminated and your FEGLI stops.

If you have assigned your insurance, it is the assignee(s), rather than you, who is entitled to convert your Basic, Option A, and Option B coverage. You still are entitled to convert your Option C coverage since Option C cannot be assigned.

Individual Policy

Under the conversion privilege, you may convert all or any part of your Basic and Optional insurance to an individual policy. If you are unable to convert, a person having power of attorney for you may convert on your behalf. No medical examination is required, although you may be asked a few questions about your health to see if you qualify for a lower premium. You do not have to answer these questions, but if you do not, you may be paying a higher premium than necessary.

The individual policy will be issued by an insurance company you (or your assignee(s), if applicable) select from the list of approved companies that have been accepted by OPM as eligible and that has agreed to issue such policies under the provisions of the FEGLI contract.

The individual policy may be for any type of life insurance customarily issued by the insurance company you select, except term insurance, universal life insurance, or any other type of life insurance with an indeterminate premium. It cannot include disability or Accidental Death & Dismemberment benefits.

Family members may convert Option C coverage (and name beneficiaries of their choice) if you die or if your insurance terminates under conditions that allow you to convert Option C coverage but you do not convert.

Note: For Option C, the conversion policies are for individuals only. The conversion policies do not include “family” policies similar to the FEGLI Program’s Option C. If you convert your Option C coverage, you will be purchasing an individual policy for each family member whose coverage you choose to convert. You can only obtain a conversion policy for family members who exist on the effective date of the conversion policy – 32 days after the terminating event. A conversion policy cannot be issued for a family member added after that date.

Any insurance policy purchased under the conversion privilege is a private business transaction between you and the insurance company. The cost of the individual policy is determined by the insurance company and is based on your age and class of risk. Since you will no longer be part of the group contract, the premium payments may be much higher than the FEGLI premiums.

Process

When your insurance terminates, your employing office must give you a [Notice of Conversion Privilege \(SF 2819\)](#). If you wish to convert your coverage, you must send the SF 2819 to the

FEGLI-April 2014

Office of Federal Employees' Group Life Insurance (OFEGLI) within the 31-day time limit for converting.

Your agency must also give you an [Agency Certification of Insurance Status \(SF 2821\)](#). Send that form to OFEGLI along with the SF 2819. *If you do not have the SF 2821, do not delay in sending the SF 2819.* Go ahead and send the SF 2819. You should request a completed SF 2821 from your agency before the expiration of the 31-day time limit and forward it to OFEGLI. OFEGLI needs the SF 2821 to calculate the amount of insurance you can convert.

Once OFEGLI has received your SF 2819 and SF 2821, it will send you a list of insurance companies that are offering conversion policies in your area. You must contact the companies to get information on the conversion policy and the cost.

Notes:

- **The address on the SF 2819 is not be current.** The correct address is: OFEGLI, P.O. Box 8149 Long Island City, NY 11101-8149.
- In Block #4, if you have Option C, your agency should indicate the multiples you have the day your insurance terminates.
- If you receive an SF 2819, that means that you are eligible to convert your insurance, but you don't need to — the choice is yours. **IF** you qualify to carry your coverage into retirement, you may want to do that and not convert. Just because you receive an
- SF 2819 does not mean that you do not qualify to carry your coverage into retirement. All employees whose current coverage as an employee is terminating (other than by voluntary cancellation) receive a copy of that form — whether or not they qualify to carry coverage into retirement.
- In addition, if you don't receive the SF 2819 promptly, **IT IS YOUR RESPONSIBILITY** to take action to obtain the necessary information to convert your coverage. Contact OFEGLI immediately to let them know you are interested in obtaining conversion information.
- If you have assigned your insurance, your agency must give the SF 2819 to your assignee(s). The right to convert transfers to your assignee(s). If you have Option C, your agency must also give an SF 2819 to you. The right to convert Option C stays with you.

You can find additional information on converting your insurance on the [SF 2819 "Notice of Conversion Privilege"](#).

CONVERSION FOR FAMILY MEMBERS

- **Upon Your Death**
- **Upon Your Separation**
- **Amount Available to Convert**

FEGLI-April 2014

- **When Conversion Is Not Permitted**
- **When Insurance Has Been Assigned**

Upon Your Death

When you die, your family members covered under Option C are eligible to convert their coverage to individual policies.

The conversion policies do not include “family” policies similar to the FEGLI Program’s Option C. Each eligible family member may convert to an individual policy. In the case of a minor child, a parent may apply on the child’s behalf for an individual policy.

Your employing office must send your family members a *Notice of Conversion Privilege* (SF 2819). In Block #4, your agency should indicate the multiples of Option C coverage you have the day your insurance terminates. Your employing office must send the SF 2819 to your last address on file, addressed to “The Family Members of” The employing office does not have to try to locate family members who might not have lived with you at the time of your death.

Family members wishing to convert must send the SF 2819 to OFEGLI within the 31-day time limit for converting.

Upon Your Separation

When you separate from service, you may convert any or all of your FEGLI coverage. If you choose not to convert your Option C coverage, your family members may convert their coverage to individual policies.

The conversion policies do not include “family” policies similar to the FEGLI Program’s Option C. Each eligible family member may convert to an individual policy. In the case of a minor child, a parent may apply on the child’s behalf for an individual policy.

If your family members are interested in converting their coverage, they must contact your former agency employing office. Your employing office must send your family members a *Notice of Conversion Privilege* (SF 2819) if they request information about converting. Your family members must then send the SF 2819 to OFEGLI within the 31-day time limit for converting.

Amount Available to Convert

Your spouse and eligible children may convert up to the amount of Option C coverage you carried (maximum \$25,000 for your spouse and \$12,500 for each eligible child).

FEGLI-April 2014

When Conversion Is Not Permitted

Family members do not have the right to convert their coverage when they lose eligibility for any reason, such as the following:

- Your divorce or annulment;
- Your child reaches age 22;
- Your child marries; or
- Your stepchild or foster child moves out of your home

When You Have Assigned Your Insurance

The right to convert Option C remains with you and your family members, even if the rest of your insurance has been assigned.

EMPLOYING OFFICE RESPONSIBILITIES

- **Notice of Conversion Privilege (SF 2819)**
- **Agency Certification of Insurance Status (SF 2821)**
- **Timing**

Notice of Conversion Privilege (SF 2819)

Your employing office must give you (or your assignee(s) or a power of attorney acting on your behalf) an SF 2819 “*Notice of Conversion Privilege*” whenever your coverage terminates. In Block #4, your agency should indicate the multiples of Option C coverage you have the day your insurance terminates. *Exception:* If you are transferring to a FEGLI eligible position in another agency within three calendar days after your termination, your employing office does not need to issue an SF 2819.

Your employing office must record in your Official Personnel Folder (or its equivalent) the names and addresses of everyone who is given an SF 2819, including your assignees and family members covered under Option C. Your employing office must send this information to your retirement system, if your separation is for retirement.

Your employing office must not furnish insurance companies with the name of any employee being separated with possible conversion rights.

If you have Option C coverage, your employing office must send an SF 2819 to your eligible family members when you die. The form should be addressed to “The Family Members of”

FEGLI-April 2014

If you separate from service and choose not to convert your Option C coverage, your employing office must send an SF 2819 to your eligible family members if they contact the employing office to request information on converting.

Agency Certification of Insurance Status (SF 2821)

Whenever your insurance terminates, your employing office must complete an *Agency Certification of Insurance Status* (SF 2821) and give it to you (or your assignee(s)).

In block #13a on the SF 2821, your agency should indicate the multiples of Option C coverage you have on the day your insurance terminates. *Exception:* If you are transferring to a FEGLI eligible position in another agency within three calendar days after your termination, your employing office does not need to complete an SF 2821.

Timing

It is imperative your employing office give you (or your assignee(s)) the *Notice of Conversion Privilege* (SF 2819) either immediately before or immediately after the event causing your coverage to terminate. *Note:* This form must be given to you when you are retiring, even if you choose to continue life insurance coverage into retirement. (See “Procedures for Retiring Employees”).

Your employing office must place a copy of the SF 2819 in your Official Personnel Folder (or its equivalent) as proof that the required notice was provided. The date the SF 2819 is issued is also required for completion of Block 9 on the SF 2821.

TIME LIMIT ON CONVERSION

- **Time Limit for Converting**
- **Belated Conversions**
- **Effective Date of Conversion Policy**
- **If You Return to Federal Service**

Time Limit for Converting

If you are interested in converting, you must complete Part C of the *Notice of Conversion Privilege* (SF 2819) and send it to OFEGLI at P.O. Box 8149, Long Island City, NY 11101-8149. (*Note: This address is different from the address on the SF 2819.*) Your SF 2819 must be received within 31 days of your (or your family member(s), in the case of Option C) receipt of the *Notice of Conversion Privilege* (SF 2819), or within 60 days after the date of the terminating event, whichever is earlier.

FEGLI-April 2014

Belated Conversions

If your employing office fails to give you the required conversion notice on time or you are unable to request conversion on time for reasons beyond your control, you can request a belated conversion by writing to OFEGLI at P.O. Box 8149, Long Island City, NY 11101-8149.

You must mail the request to OFEGLI within **six months** after the date you first became eligible to convert. The request must show that:

- You were not notified of the loss of coverage and the right to convert and were not otherwise aware of it; or
- You were not able to convert on a timely basis because of reasons beyond your control

If six months or more have passed since the date you first became eligible to convert, OFEGLI cannot accept a request for conversion. If your request is approved, you must convert within 31 days of that determination.

Effective Date of Conversion Policy

Your conversion policy is effective at the end of your 31-day extension of coverage. If this is retroactive, you must pay premiums back to that date.

Example # 1

Kathleen entered nonpay (LWOP) status 3/15/2012. Her FEGLI coverage terminated after 365 days LWOP, or 3/14/13. Her agency issued her conversion notice to her 3/25/13. She has 31 days from the date of the notice, or 4/24/13, to contact OFEGLI about converting her coverage.

Example # 2

Chris entered nonpay (LWOP) status 9/21/11. His FEGLI terminated after 365 days LWOP, or 10/20/12. His agency issued his conversion notice to him 11/6/12. He has 15 days to convert his coverage since he has until no later than 60 days from the date of the event, or 11/21/12, to contact OFEGLI about converting his coverage.

Example # 3

Elaine resigned. Her last day of Federal service was 6/14/13. Her FEGLI terminates that day, with a 31-day extension of coverage through 7/15/13. Zelda's agency did not give her the SF 2819 until 10/15/13. Zelda does not have the right to convert her insurance since it is more than 60 days from the termination date on 6/14/13. She has the right to request a belated election since it is within six months of the termination date. She must send the SF 2819 to OFEGLI. If they approve her belated request, and she converts, her conversion policy will be effective

FEGLI-April 2014

7/16/13, the day after the end of her 31-day extension of coverage. She will have to pay premiums retroactive to that date.

Belated conversions are made retroactive to the end of the 31-day extension, and you must pay the retroactive premiums. There are no exceptions to the requirement to pay retroactive premiums.

Your family members' conversion is effective at the end of your 31-day extension of coverage. If this is retroactive, they must pay premiums back to that date.

If You Return to Federal Service

If you have converted your FEGLI coverage and return to Federal service (including as a reemployed annuitant), you do not have to cancel your conversion policy, although you can if you wish.

TERMINATION OF ANNUITANTS' AND COMPENSATIONERS' INSURANCE

- **Annuitants**
- **Compensationers**

Annuitants

If your annuity terminates, your FEGLI terminates on the same date. You do not get the 31-day extension of coverage or right to convert.

Compensationers

If the Department of Labor finds that you are able to return to duty, your FEGLI terminates on the date of the finding. You do not get the 31-day extension of coverage or right to convert.

If you return to service in a FEGLI eligible position, you will get FEGLI again as an employee and your FEGLI with the Department of Labor stops. Your FEGLI coverage will be based on the salary in your current position. If you return to a part-time position at the agency or are otherwise reemployed, your FEGLI coverage conveys to your agency employment, and it is treated as if you are a reemployed annuitant.

FEGLI-April 2014

HISTORICAL INFORMATION

- **Active Duty Military Service**
- **Portability**
- **Power of Attorney**

Active Duty Military Service

By law, from August 1956 until June 1986 FEGLI terminated whenever an employee entered on active military duty.

Portability

From April 1999 until April 2002 employees with Option B whose group coverage terminated due to separation or completion of 12 months in nonpay status could elect to port (continue) their coverage by making direct premium payments to a Portability Office. This was a 3-year demonstration project. The three-year portability demonstration project expired in 2002 and employees are no longer eligible to elect portability.

Power of Attorney

Effective October 1, 2010, if an employee is unable to convert, a person having power of attorney for that employee may convert on his or her behalf.