



**Billing Code 6325-63**

**OFFICE OF PERSONNEL MANAGEMENT**

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

**AGENCY:** Office of Personnel Management.

**ACTION:** Notice.

**SUMMARY:** The Office of Personnel Management (OPM) is announcing changes in premiums for certain Federal Employees' Group Life Insurance (FEGLI) categories in accordance with sections 870.401(a)(2) and 870.402(a)(3) of title 5 of the Code of Federal Regulations. These include changes to premiums for Option B (most age bands), Option C (all age bands), and Post-Retirement Basic Insurance. These rates will be effective the first pay period beginning on or after January 1, 2012.

**EFFECTIVE DATE:** January 1, 2012.

**FOR FURTHER INFORMATION CONTACT:** Marguerite Martel,

[marguerite.martel@opm.gov](mailto:marguerite.martel@opm.gov), (202) 606-0004.

**SUPPLEMENTARY INFORMATION:** This notice announces changes to FEGLI Option B (most age bands), Option C (all age bands) and Post-Retirement Basic Insurance. The last premium change for some age categories of Option B and Option C and Post-Retirement Basic insurances was on the first pay period beginning on or after January 1, 2003 (Option B and Option C coverages had a three-year phase-in of premium changes ending in January 2005). Those changes coincided with the implementation of the Federal Employees' Life Insurance Improvement Act, Pub. L. 105-311, (112 Stat. 2950) which provided expanded coverage choices for employees, retirees, and compensationers with Option B and Option C coverage past age 65.

The premiums in the FEGLI Program represent estimates of premium income necessary to pay future expected benefits costs. The rates for all coverage categories are specific to the experience of the FEGLI group and are not based on mortality rates within the general population. Actuarial analysis of changing mortality rates makes periodic premium adjustments necessary.

Accordingly, 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. These changes reflect updated mortality and claims rates from actual program experience within each FEGLI category. The legislative structure of the FEGLI Program assumes that we set premiums for each age band independently of the other bands, so that each age band is financially self-supporting.

Based on updated experience, premiums for all Option B age bands, other than the oldest groups (ages 75-79 and ages 80 and over), will decrease. Premiums for Option C age bands under age 45 will also decrease. However, a rate increase is needed for Option C premiums for those ages 45 and over. Premiums for Post-Retirement Basic FEGLI will also increase slightly for those enrollees who elect the 50% Reduction and No Reduction. These increases are necessary due to the experience of the group and are necessary to sufficiently fund the projected future increases.

We will issue guidance to all agencies for the purpose of counseling employees and we will notify affected annuitants directly via OPM's Office of Retirement Services. The FEGLI premium rates will be maintained on the FEGLI Web site [www.opm.gov/insure/life](http://www.opm.gov/insure/life).

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**

<b>Age Band</b>	<b>Biweekly</b>	<b>Monthly</b>
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**

<b>Age Band</b>	<b>Biweekly</b>	<b>Monthly</b>
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

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

**Annuitant Basic Premium per \$1,000 of Insurance**

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

**Compensationner Basic Premium per \$1,000 of Insurance**

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

Premiums for other FEGLI coverages, including the Basic Employee premium and Option A (all age bands), will not change at this time. These rates will be effective the first pay period beginning on or after January 1, 2012.

U.S. Office of Personnel Management.

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John Berry,  
Director.

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