

What is FEGLI

The Federal Government established the Federal Employees' Group Life Insurance (FEGLI) Program on August 28, 1954. It is the largest group life insurance program in the world, covering over 4 million Federal employees and retirees, as well as many of their family members. FEGLI provides group term life insurance. It consists of Basic life insurance coverage and three options. In most cases, if you are a new Federal employee, you are automatically covered by Basic life insurance and your payroll office deducts premiums from your paycheck unless you waive the coverage. In addition to the Basic, there are three forms of Optional insurance that you can elect.

What does "Open Season" mean?

"Open Season" is the period allowing you to change your benefits such as: increasing benefits, decreasing benefits or adding family members.

Do I have to wait for the next "Open Season" to replace or cancel my FEGLI Option "B" benefits?

No. You may cancel life insurance coverage at any time. However, you should be aware that your opportunities to re-enroll are limited. But, we recommend that you do NOT cancel this or any life insurance unless you have a replacement policy that equals your needs.

I am a Federal employee. How do I cancel (waive) or reduce my coverage?

Unless you assign your life insurance, you may cancel (waive) your Basic insurance at any time.

Is FEGLI Expensive?

Yes. The comptroller General of the United States reported on April 7, 1986, that private sector insurance programs typically provide greater coverage at much less cost to the employees than FEGLI program.

Is FEGLI Inferior?

YES! The Government Accounting Office reported in April of 1986 that the FEGLI program is inferior to many private plans

Is FEGLI financially backed by the Federal Government?

No. A large group of private insurance companies underwrites the group policy.

Who pays for optional FEGLI coverage?

Postal and most other Federal employees pay the full cost of the additional optional insurance.

Who pays for basic FEGLI coverage?

If you are a non-postal Federal employee, the cost of the basic insurance is shared by you as the employee and the Federal Government as the employer. If you are a postal employee, the U.S. Postal Service contributes 100% of the basic life insurance cost.

Does FEGLI Basic Life Insurance decrease over time?

YES it can! You have 3 options to choose from at retirement. FEGLI Basic Life insurance #1, reduces 2% per month after the insured reaches age 65 to 25% of the original amount, #2, reduces to 50% of the basic amount and you pay a premium for the rest of your life, #3, **NO REDUCTION** and you pay a higher premium for the rest of your life.

If I change employers, can I retain my FEGLI coverage?

NO! Not in its current form.