



**Department of Navy
Human Resources Service Center**

Civilian Benefits Information Bulletin 2004-03

**Living Benefits Provisions Of The
Federal Employees' Group Life
Insurance**

One of the provisions of the Federal Employees' Group Life Insurance (FEGLI) is that if you are terminally ill and have a documented medical prognosis showing a life expectancy of no more than nine months you may elect to receive Basic life insurance benefits while you are still living, rather than have the benefits paid to a beneficiary or survivor after you die.

AMOUNT OF LIVING BENEFITS

Employees can choose a full or partial (a multiple of \$1,000) Living Benefit. Annuitants and compensationers can elect only a full Living Benefit.

A Living Benefit is equal to the Basic Life insurance amount, plus any extra benefit for persons under age 45, that would be in effect nine months after the date the Office of Federal Employees' Group Life Insurance (OFEGLI) receives a completed claim for Living Benefits form. Optional insurance cannot be paid as Living Benefits.

Living Benefit payments are reduced by a nominal amount (4.9%) to make up for lost earnings to the Life Insurance Fund because of the early payment of benefits.

HOW TO APPLY FOR LIVING BENEFITS

If you want to apply for Living Benefits you must contact the Office of Federal Employees' Group Life Insurance (OFEGLI) at 1-800-633-4542 to request an application. Application forms are not available from the HRSC. Applications are filed directly with OFEGLI. Only the terminally ill person can apply for a Living Benefit. A guardian, someone with power of attorney or any other person cannot apply for a Living Benefit on your behalf.

If you have assigned your life insurance you cannot elect Living Benefits. Your assignee(s) cannot elect Living Benefits on your behalf. Additional information about assignment of FEGLI benefits is available on the Office of Personnel Management (OPM) homepage at <http://www.opm.gov/insure/life/index.asp>.

OFEGLI will notify you if they do not approve your application for Living Benefits. There are no appeal rights; however, you can provide additional medical evidence to support your claim or reapply if future circumstances warrant.

If OFEGLI approves your Living Benefits application, you will receive a check, along with an Explanation of Benefits. There are no restrictions on how the money received from a Living Benefits election may be used. If you elect Living Benefits and live longer than the expected nine months, you do not have to repay the Living Benefits.

You can change your mind about electing a Living Benefit up until the time you cash or deposit the check. After you cash or deposit the check, the decision is irrevocable.

If you elect partial Living Benefits (available only to employees), you cannot later elect any of the remaining Basic Life insurance as Living Benefits.

If you elect full Living Benefits, withholdings and contributions for Basic Life insurance stop. If you elect partial Living Benefits, withholdings for Basic Life insurance are based on your post-election Basic Insurance Amount. Even if your salary increases, your Basic Life insurance benefit will not increase.

All Optional insurance remains in place, and withholdings for optional insurance continue unchanged.

Additional information about Living Benefits can be found on the OPM homepage at <http://www.opm.gov/insure/life/index.asp>.

QUESTIONS ABOUT BENEFITS

If you have any questions about life insurance or any other benefit matter, please call The Benefits Line at 1-888-320-2917, select option 4 to talk to a Customer Service Representative (CSR). CSRs are available from 7:30 a.m. until 7:30 p.m. (Eastern Time), Monday through Friday.