

Office of Personnel Management

§ 870.1206

then sends explanations of benefits to the insured's employing office, so it can make the necessary changes in withholdings and deductions.

(2) If the application is not approved, OFEGLI will notify the insured individual and the employing office. The decision is not subject to administrative review; however, the individual can submit additional medical information or reapply at a later date if future circumstances warrant.

[62 FR 48731, Sept. 17, 1997; 62 FR 52181, Oct. 6, 1997]

Subpart L—Portability

SOURCE: At 64 FR 72465, Dec. 28, 1999, unless otherwise noted.

§ 870.1201 Portability permitted.

(a) Effective April 24, 1999, until April 24, 2002, eligible employees may elect portability for Option B coverage that would otherwise terminate.

(b) An individual cannot elect portability for Basic insurance, Option A, or Option C.

§ 870.1202 Eligibility.

(a) An employee is eligible to elect portability for Option B if:

(1) His/her coverage is terminating due to separation or completion of 12 months in nonpay status; and

(2) He/she has had Option B for the 5 years of service immediately before the date the coverage would otherwise terminate, or for the full period(s) of service during which he/she was eligible to have Option B, if less than 5 years.

(b) If the employee has assigned his/her coverage as provided in subpart I of this part, it is the assignee who has the right to elect portability.

§ 870.1203 Amount of insurance.

(a) An employee can elect portability for up to the highest number of Option B multiples that meet the requirements of § 870.1202(a)(2).

(b)(1) An individual with ported coverage can reduce the number of multiples at any time. Exception: If the individual assigned his/her coverage as provided in subpart I of this part, only the assignee has the right to reduce the number of multiples.

(2) An individual with ported coverage cannot increase the number of multiples.

(c) Salary changes have no effect on the amount of Option B coverage in force for an individual with ported coverage.

(d) The amount of ported coverage in force reduces by 50 percent at the beginning of the 2nd calendar month after the individual reaches age 70 or, if the individual is 70 or older at the time he/she elects portability, the 2nd month after the effective date of the ported coverage.

§ 870.1204 Cost of insurance.

(a)(1) The cost of ported coverage is the cost shown in § 870.402(e).

(2) In addition to the premium payments for Option B, individuals with ported coverage must pay a monthly administrative fee, in an amount set by OPM.

(b) The Portability Office will establish a schedule for the premium payments. An individual with ported coverage must make payment to the Portability Office on a timely basis.

§ 870.1205 Electing portability for Option B.

(a) The employing agency must notify the employee/assignee(s) of the loss of coverage and the right to elect portability for Option B either before or immediately after the event causing the loss of coverage.

(b)(1) The employee/assignee(s) must submit the request to elect portability to the employing office and to the Portability Office within 60 days following the date of the terminating event (74 days if living overseas). A mailed notification or request is considered to be received 5 days after the date of the notification/request.

(2) An employee/assignee who fails to request portability within the required time frame is considered to have refused coverage.

(3) Ported coverage is effective the day after coverage as an employee ends.

§ 870.1206 Termination and cancellation of ported coverage.

(a)(1) Ported coverage stops April 24, 2002, subject to the 31-day extension of

§ 870.1207

5 CFR Ch. I (1–1–03 Edition)

coverage and right to convert, as provided in subpart F of this part.

(2) Ported coverage stops at the beginning of the 2nd calendar month after the individual reaches age 80 or, if the individual is age 80 or older at the time he/she elects portability, the 2nd month after the effective date, subject to the 31-day extension of coverage and right to convert, as provided in subpart F of this part.

(b)(1) An individual with ported coverage can cancel coverage at any time. Exception: If the individual assigned his/her coverage as provided in subpart I of this part, only the assignee can cancel coverage.

(2) If an individual with ported coverage does not make a premium payment on time, the Portability Office will send him/her a notice stating that coverage will continue only if the individual makes payment within 15 days after receiving the notice (45 days if living overseas). If the individual does not make payment within this time frame, Option B coverage cancels.

(3) An individual whose ported coverage cancels, whether voluntarily or for nonpayment, does not get the 31-day extension of coverage or the right to convert.

§ 870.1207 Designations, assignments, and court orders.

(a)(1) If an employee has a valid designation of beneficiary on file at the time he/she elects portability, that designation remains in effect.

(2) An individual with ported coverage who wishes to file a designation of beneficiary must submit the form to the Portability Office.

(3) If an individual with ported coverage returns to Federal service, any designation of beneficiary remains in effect.

(b)(1) If an employee assigns his/her coverage before electing portability for Option B, that assignment remains in effect.

(2) If an individual with ported coverage wishes to make an assignment, he/she must submit the form to the Portability Office.

(3) If an individual with ported coverage returns to Federal service, any assignment of coverage remains in effect. Basic insurance and any Option A

coverage acquired through the return to service are subject to the existing assignment.

(c)(1) If the employing office received a valid court order on or after July 22, 1998, that court order remains valid for the ported coverage.

(2) Anyone wishing to submit a court order relating to an individual with ported coverage must submit it to the Portability Office.

(3) If an individual with ported coverage returns to Federal service, any valid court order on file remains in effect.

(d) When an individual submits a request to elect portability for Option B coverage, the employing office must send the originals of all designations, assignments, and court orders on file to the Portability Office.

§ 870.1208 Return to active service.

(a)(1) When an individual with ported coverage returns to Federal service, the agency must notify the Portability Office.

(2) The Portability Office must terminate the ported coverage and send the originals of all designations, assignments, and court orders to the new employing office.

(b) The employee will get back the number of multiples of Option B he/she had before the terminating event. Exceptions:

(1) A person who cancels a multiple or multiples of Option B coverage after electing portability will get back only the number of multiples remaining.

(2) A person whose ported coverage cancels for nonpayment of premiums will not get back any Option B coverage automatically.

PART 880—RETIREMENT AND INSURANCE BENEFITS DURING PERIODS OF UNEXPLAINED ABSENCE

Subpart A—General

- Sec.
- 880.101 Purpose and scope.
- 880.102 Regulatory structure.
- 880.103 Definitions.

Subpart B—Procedures

- 880.201 Purpose and scope.
- 880.202 Referral to Associate Director.