

receives the completed Living Benefit application (the “pre-election” BIA), reduced by the percentage which the partial lump-sum payment represents of the full Living Benefit payment the employee could have received if he/she elected a full Living Benefit; this amount is rounded up or down to the nearest multiple of \$1,000 or, if midway between multiples, to the next higher multiple.

(b) The post-election BIA cannot change after the effective date of the Living Benefit election.

(c) For purposes of computing the payment of benefits upon the death of an insured individual who elected a partial Living Benefit, the post-election BIA will be multiplied by the age factor in effect on the date OFEGLI received the completed Living Benefit application.

§ 870.204 Annual rates of pay.

(a) (1) An insured employee’s annual pay is his/her annual rate of basic pay as fixed by law or regulation.

(2) Annual pay for this purpose includes the following:

(i) Interim geographic adjustments and locality-based comparability payments as provided by Pub. L. 101-509 (104 Stat. 1479);

(ii) Premium pay for standby duty under 5 U.S.C. 5545(c)(1);

(iii) Premium pay for overtime inspectional service for customs officers as provided by Pub. L. 103-66 (107 Stat. 453);

(iv) For a law enforcement officer as defined under 5 U.S.C. 8331(20) and §§ 831.902 and 842.802 of this title, premium pay for administratively uncontrollable overtime under 5 U.S.C. 5545(c)(2);

(v) Night differential pay for wage employees;

(vi) Environmental differential pay for employees exposed to danger or physical hardship;

(vii) Tropical differential pay for citizen employees in Panama;

(viii) Special pay adjustments for law enforcement officers;

(ix) Availability pay for criminal investigators under 5 U.S.C. 5545a;

(x) Bonuses for physicians and dentists of the Department of Veterans Af-

fairs under Pub. L. 96-330 (94 Stat. 1030); and

(xi) Straight-time pay for regular overtime hours for firefighters, as provided in 5 U.S.C. 5545b and part 550, subpart M, of this chapter.

(b) To convert a pay rate of other than annual salary to an annual rate, multiply the pay rate by the number of pay units in a 52-week work year.

(c) The annual pay for a part-time employee is his/her basic pay applied to his/her tour of duty in a 52-week work year.

(d) The annual pay for an employee on piecework rates is the total basic earnings for the previous calendar year, not counting premium pay for overtime or holidays.

(e) The annual pay for an employee with a regular schedule who works at different pay rates is the weighted average of the rates at which the employee is paid, projected to an annual basis.

(f) The annual pay for a non-Postal intermittent employee or an employee who works at different pay rates without a regular schedule is the annual rate which he/she is receiving at the end of the pay period.

(g) If an employee legally serves in more than 1 position at the same time, and at least 1 of those positions entitles him/her to life insurance coverage, the annual pay is the sum of the annual basic pay fixed by law or regulation for each position. Exception: this doesn’t apply to part-time flexible schedule employees in the Postal Service.

[62 FR 48731, Sept. 17, 1997; 62 FR 52181, Oct. 6, 1997, as amended at 63 FR 64595, Nov. 23, 1998]

§ 870.205 Amount of Optional insurance.

(a) Option A coverage is \$10,000. Effective for pay periods beginning on or after October 30, 1998, Option A cannot exceed this amount. Exception: This does not apply to annuitants who retired with a higher amount of Option A before the removal of the maximum on Basic insurance (the first pay period beginning on or after October 30, 1998).

§ 870.206

(b)(1) Option B coverage comes in 1, 2, 3, 4, or 5 multiples of an employee's annual pay (after the pay has been rounded to the next higher thousand, if not already an even thousand). Effective for pay periods beginning on or after October 30, 1998, there is no maximum amount for each multiple.

(2) The amount of Option B coverage automatically changes whenever annual pay is increased or decreased by an amount sufficient to raise or lower pay to a different \$1,000 bracket.

(c) Effective April 24, 1999, Option C coverage comes in 1, 2, 3, 4, or 5 multiples of the following amounts: \$5,000 on the death of a spouse and \$2,500 on the death of an eligible child. Payments are made to the insured individual.

[62 FR 48731, Sept. 17, 1997, as amended at 64 FR 72461, Dec. 28, 1999]

§ 870.206 Accidental death and dismemberment.

(a) (1) Accidental death and dismemberment coverage is an automatic part of Basic and Option A insurance for employees.

(2) There is no accidental death and dismemberment coverage with Options B and C.

(3) Individuals who are insured as annuitants or compensationers do not have accidental death and dismemberment coverage.

(b) (1) Under Basic insurance, accidental death benefits are equal to the BIA, but without the age factor described in § 870.202(c).

(2) Under Option A, accidental death benefits are equal to the amount of Option A.

(c)(1) Under Basic insurance, accidental dismemberment benefits for the loss of a hand, foot, or eye are equal to one-half the BIA. For loss of 2 or more of these in a single accident, benefits are equal to the BIA.

(2) Under Option A, accidental dismemberment benefits for the loss of a hand, foot, or eye are equal to one-half the amount of Option A. For loss of 2 or more of these in a single accident, benefits are equal to the amount of Option A.

(3) Accidental dismemberment benefits are paid to the employee.

5 CFR Ch. I (1-1-08 Edition)

Subpart C—Eligibility

§ 870.301 Eligibility for life insurance.

(a) Each nonexcluded employee is automatically insured for Basic insurance unless he/she waives it.

(b)(1) Optional insurance must be specifically elected; it is not automatic.

(2) An employee may elect one or more types of Optional insurance if:

(i) He/she has Basic insurance; and

(ii) He/she does not have a waiver of that type (or types) or Optional insurance still in effect.

(c) Notwithstanding any other provision in this part, the hiring of a Federal employee, whether in pay status or nonpay status, for a temporary, intermittent position with the decennial census has no effect on the amount of his/her Basic or Option B insurance, the withholdings or Government contribution for his/her insurance, or the determination of when 12 months in nonpay status ends.

[62 FR 48731, Sept. 17, 1997, as amended at 63 FR 9402, Feb. 25, 1998; 64 FR 72461, Dec. 28, 1999]

§ 870.302 Exclusions.

(a) The following employees are excluded from life insurance coverage by law:

(1) An employee of a corporation supervised by the Farm Credit Administration, if private interests elect or appoint a member of the board of directors.

(2) An individual who is not a citizen or national of the United States and whose permanent duty station is outside the United States. Exception: an individual who met the definition of employee on September 30, 1979, by service in an Executive agency, the United States Postal Service, or the Smithsonian Institution in the area which was then known as the Canal Zone.

(3) An individual first employed by the government of the District of Columbia on or after October 1, 1987. Exceptions:

(i) An employee of St. Elizabeths Hospital, who accepts employment with the District of Columbia Government following Federal employment without a break in service, as provided