

Subject: PA Article on New FEGLI Premiums and Age Band Changes

Sent: Tuesday, 28 Jan 03

The purpose of this E-mail is to provide you with a copy of the article AFPC/PA released to advise employees of the changes to Federal Employees Group Life Insurance (FEGLI) premiums and age bands (attached). Although effective 1 Jan 03, the new rates/age bands were actually applied beginning 12 Jan 03. Employees should see the changes on their 31 Jan 03 Leave and Earnings Statement.

Current employees will see a 1/2 cent drop per \$1,000 of Basic coverage. Premiums are also reducing for some of the current Option B age bands, while the "60 and over" age band is being expanded into 5 new age bands. Employees falling into the new Option B age bands will see an increase in their premium now, and in Jan 04 and Jan 05. There are no changes in current Option C premiums, but there are two new age bands with increased premium amounts. There are no changes to Option A.

Employees with questions should be referred to a BEST Benefits Counselor for assistance. Additional information is also available in the Nov 02 BEST Newsletter (<http://www.afpc.randolph.af.mil/dpc/BEST/newsletters.htm> or faxback document #6009) and on the OPM web site (<http://www.opm.gov/insure/life/index.htm>).

We appreciate your continued support.

**Chief, Special Operations Division
Air Force Personnel Center**

Attachment:
PA Article

Jan. 23, 2003
Release No. 007

FEGLI - New Premiums and Change in Age Bands

AIR FORCE PERSONNEL CENTER – Some Air Force civilian employees and retirees will see a change in the cost of their Federal Employees Group Life Insurance premiums or in their placement into a new age group.

A recent review of the Federal Employees Group Life Insurance premiums by the Office of Personnel Management resulted in the changes effective Jan. 1.

Because of today's generally lower mortality rates, OPM decided to reduce the premium for basic insurance and several of the Option B age bands, and add new age bands for Options B and C, said officials here. There are no changes to Option A premiums or to the existing Option C age bands.

"The new rates were actually applied the first pay period in January and any changes should reflect on the employee's Jan. 31 Leave and Earnings Statement," said Janet Thomas of the center's civilian Benefits and Entitlements Service Team.

- Basic life insurance:

-- Current employees: the cost drops from 15.5 to 15 cents per \$1,000 of coverage.

-- Retirees monthly rate: Someone electing the 75 percent reduction, who is under age 65, will see costs drop from 33.58 to 32.50 cents per \$1,000 of coverage. It will still be free after age 65. If electing the 50 percent reduction and under age 65, the premium is dropping from 92.58 to 92.5 cents per \$1,000 of coverage. After 65, the cost increases one cent from 59 to 60 cents. People under 65 electing no reduction will see the cost drop from \$2.3758 to \$2.1550 per \$1,000 of coverage. After 65, the cost decreases from \$2.04 to \$1.83.

- **Option A:** No changes for current employees or retirees.

- **Option B:** Premiums are going down for several of the current age bands. The age band 60-and-above is being expanded into new age bands for ages 60-64, 65-69, 70-74, 75-79, and 80-and-over. The premiums for the new age bands will change over the next 3-year period.

- **Option C:** No changes to premiums for existing age bands, except 70 and over is changed and expanded to 70-74, 75-79, and 80 and over.

Additional information can be found at www.opm.gov/insure/life, www.opm.gov/insure/life or the November AFPC BEST newsletter at <http://www.afpc.randolph.af.mil/dpc/BEST/menu.htm> under BEST Newsletters.

Option B: Cost Per \$1,000 of Coverage for 2003

Age Band	Biweekly Rate		Monthly Rate	
Under 35	3 cents	no change	65 cents	no change
35-39	4 cents	no change	87 cents	no change
40-44	6 cents	no change	13 cents	no change
45-49	9 cents	down from 10 cents	19.5 cents	down from 21.7 cents
50-54	14 cents	down from 15 cents	30.3 cents	down from 32.5 cents
55-59	28 cents	down from 31 cents	60.7 cents	down from 67.2 cents
60-64 (Previously 60 & over)	60 cents	down from 70 cents	\$1.30	down from \$1.517
65-69 (New)	71 cents	up from 70 cents	\$1.538	up from \$1.517
70-74 (New)	87 cents	up from 70 cents	\$1.885	up from \$1.517
75-79 (New)	\$1.07	up from 70 cents	\$2.318	up from \$1.517
80 & Over (New)	\$1.27	up from 70 cents	\$2.752	up from \$1.517

Option C: Cost per \$1,000 of Coverage for 2003

Age Band	Biweekly Rate		Monthly Rate	
Under 35	27 cents	no change	59 cents	no change
35-39	34 cents	no change	74 cents	no change
40-44	46 cents	no change	\$1.00	no change
45-49	60 cents	no change	\$1.30	no change
50-54	90 cents	no change	\$1.95	no change
55-59	\$1.45	no change	\$3.14	no change
60-64	\$2.60	no change	\$5.63	no change
65-69	\$3.00	no change	\$6.50	no change
70-74 (Previously 70 & over)	\$3.40	no change	\$7.37	no change
75-79 (New)	\$4.50	up from \$3.40	\$9.75	up from \$7.37
80 & Over (New)	\$6.00	up from \$3.40	\$13.00	up from \$7.37

(AFPC is located at Randolph AFB, Texas.)