

BEST NEWSLETTER

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COMMENTS FROM OUR BRANCH CHIEF

In the Jan 02 Benefits and Entitlements Service Team (BEST) Newsletter, we shared with you we would be converting from the former civilian personnel data system that was in existence for over 25 years to the Modern Defense Civilian Personnel Data System (DCPDS). Conversion to the Modern DCPDS went very smoothly for BEST. During the conversion period, the BEST web and phone automated systems continued to be available to take care of your benefits transactions. These transactions were held in our automated systems during the conversion process. On 25 Feb 02 the interface to the new personnel system was restarted and 1,226 transactions on hold processed, updating the personnel and payroll records. Payroll deductions for any benefits changes you made during the conversion with effective dates from 11 to 23 Feb 02 should have been reflected on your 1 Mar 02 Leave and Earnings Statement (LES).

The new Long Term Care (LTC) early enrollment period is just around the corner, 25 Mar-15 May 02. Long Term Care is a program to provide insurance to help you pay for chronic, long-term care that may develop due to an illness, accident, or the normal aging process. Please read our article on page 5 for more information.

For employees called to active duty, there will be another benefit available soon. The National Defense Authorization Act for Fiscal Year 2002 includes a provision that authorizes agencies to pay the full health insurance premium, for up to 18 months, for employees who go on leave without pay or separate because they are called or ordered to active military duty in support of a contingency operation. As soon as the Office of the Secretary of Defense signs the policy memo, this benefit will become official. Once signed, we will update the information on our homepage for reservists entering active duty and notify your local Civilian Personnel Office.

Chief, Benefits and Entitlements

CIVILIAN EMERGENCY DATA SYSTEM

The Air Force Emergency Data System (EMDS) is a web application developed to give appropriated fund civilian employees the ability to update next-of-kin (NOK) emergency information. This extremely important form is used by you to show the names and addresses of your spouse, children, parents, and any other person(s) you would like notified if you become a casualty or for any other emergency, and you should update it any time the information changes.

Can I update EMDS now? It depends – if your base has completed Impact & Implementation bargaining then yes, you can update EMDS. To find out if your base has completed bargaining, click on: <http://www.afpc.randolph.af.mil/emds/emdsauth.htm>.

Why do I need to update EMDS? The terrorist attack on the Pentagon on 11 Sep 01 destroyed many offices and supervisor records, including NOK information. With EMDS, there is a central database of NOK information which will always be available, even if paper documents are destroyed.

Who will have access to this information? Only you will have the capability to update your emergency data in EMDS. Once updated, only your Civilian Personnel Flight (CPF) and HQ AFPC Casualty Affairs will be able to access your emergency data.

How do I access EMDS? You will access EMDS through the AFPC Secure Web Applications by using the same UserID and Password you currently use to access any of our secure AFPC web applications (for example, the Employee Benefits Information System (EBIS), or the Electronic Official Personnel Folder). Enter the following address into your web browser and you'll be on your way: <http://www.afpc.randolph.af.mil/emds/default.htm>.

If I update EMDS, do I still need to provide NOK emergency information to my supervisor? Yes. EMDS supplements the AF Form 971 (Supervisor's Employee Brief), but does not replace it. When you have entered your NOK data in EMDS, click the "Print" button on your web browser, then click on the "Submit" button at the bottom of the EMDS screen. Be sure to give the printed EMDS page to your supervisor.

How often do I need to update EMDS? Anytime your NOK information changes, you should update EMDS and provide your supervisor a copy of the updated information.

Who should I contact if I need assistance with EMDS? You should contact your local CPF if you need assistance.

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HEALTH INSURANCE, LIFE INSURANCE AND THRIFT SAVINGS PLAN

FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI) DO YOU NEED MORE?

Did you cancel (waive) Basic FEGLI coverage and now wish you hadn't? Do you have Basic FEGLI but dropped some multiples of Option B and now want to increase again? Unlike the Federal Employees Health Benefits Program, FEGLI does not have regularly scheduled open seasons. In fact, FEGLI open seasons are few and far between!

You may apply for Basic insurance and/or Optional coverage if at least one year has passed since the effective date of your last waiver of life insurance coverage. You will need to provide medical proof of insurability using Standard Form (SF) 2822, "Request for Life Insurance." BEST will provide this form to you upon your request. If you decide to apply for Basic coverage and/or increase your Optional coverage, you should contact a BEST Counselor. We will complete the Agency portion of the form (Part A), then mail it to you. You will need to schedule an appointment for a physical with your personal doctor. You are responsible for any fee charged for the physical. You must answer the questions in Part B and sign Part B in the presence of your doctor. Your doctor will examine you and complete the remainder of the form (Part C) and it to the Office of Federal Employees Group Life Insurance (OFEGLI) for their review. OFEGLI will return the SF 2822 to BEST, and we will notify you of their determination. If OFEGLI approves your request, BEST will automatically enroll you in Basic insurance, unless, of course, you already have Basic. Your enrollment in Basic will be effective on the first day you are at work (not on leave) on or after the date OFEGLI approves your request for insurance. You will have 31 days in which to elect Option A and/or Option B or increase your Option B multiples (up to a total of 5).

You cannot elect Option C (family coverage) or increase your Option C multiples by getting a physical exam. You may only elect or increase multiples of Option C within 60 days of a life event such as marriage, divorce (if you have eligible children), death of a spouse (if you have eligible children), or acquisition of an eligible child (birth, adoption, or foster child).

If you have questions or would like more information, give BEST a call at 1-800-997-2378 (527-2378 in the San Antonio area). Once in the automated system, press 4 to go to the FEGLI module, and then press 0 to get to a Benefits Counselor.

LIVING BENEFITS (FEGLI)

"Living Benefits" are life insurance benefits paid to an employee, annuitant, or **compensation**er while he or she is still living, rather than paid to a beneficiary or survivor upon the insured employee's death. Living Benefits payments come from the Employees' Life Insurance Fund.

You are eligible to elect Living Benefits if you are covered under the Federal Employees' Group Life Insurance (FEGLI), have been diagnosed as terminally ill with a life expectancy of nine months or less and have not assigned your insurance. Only **Basic** insurance is available for payment as a Living Benefit. Employees can choose a full or partial (a multiple of \$1,000) Living Benefit. Optional FEGLI cannot be paid out as part of Living Benefits; therefore, you will continue to pay premiums for any optional insurance you carry.

Living Benefits are equal to your Basic life insurance amount which includes the extra coverage payable (age multiplication factor) if you are under age 45. It is reduced, however, by 4.9 percent to make up for lost earnings to the Life Insurance Fund because of the early payment of 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. OFEGLI will send you an application form FE-8, "Claim for Living Benefits," and a calculation sheet so you can estimate the amount of Basic insurance you have available. This form **cannot** be obtained from BEST, your Civilian Personnel Flight, or the Office of Personnel Management (OPM).

For additional details about this topic, please contact BEST at 1-800-997-2378 (or 527-2378 in the San Antonio area) or visit OPM's website at <http://www.opm.gov/insure/life/handbook/index.htm> and then click on Living Benefits. Also, you can review OPM's "Frequently Asked Questions on Living Benefits" at <http://www.opm.gov/insure/life/FAQs/FAQs-9.htm>.

HEALTH INSURANCE, LIFE INSURANCE AND THRIFT SAVINGS PLAN

ASSIGNMENT OF FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI)

An assignment is the transfer of life insurance coverage. This means you give ownership and control of your Basic, Option A, and/or Option B life insurance coverage to another individual, corporation, or trustee. The insurance is still on your life, and you must continue to pay the premiums, but someone else “owns” and thereby controls your coverage. Your decision to assign your life insurance coverage is **irrevocable**; you cannot cancel your assignment if you change your mind. Some of the most common reasons for making assignments are: to comply with a court order; for inheritance tax purposes; to obtain cash before death; and to pay off debts.

An assignment of life insurance automatically cancels your prior Designation of Beneficiary and you no longer have the right to designate a beneficiary. When you die, benefits are paid to your assignee’s beneficiary or to the assignee if there is no designation of beneficiary on file.

After assignment of your life insurance, you still have the right to continue Option C-family coverage (if previously elected). You may also elect more insurance due to a life event such as marriage and birth of child; however, all of the new insurance you elect after assignment, except for Option C, will automatically be subject to the existing assignment.

If you want to find more details about the assignment of life insurance, you may contact BEST by calling 1-800-997-2378 (or commercial 527-2378 in the San Antonio area) or visit the Office of Personnel Management’s (OPM) website at <http://www.opm.gov/insure/life/handbook/index.htm> and then click on Assignment. Also, you can review OPM’s “Frequently Asked Questions on Assignments and Viatical Statements” at <http://www.opm.gov/insure/life/FAQs/FAQs-10.htm>.

QUESTIONS ABOUT FEHB PREMIUM CONVERSION

Can I change my health insurance coverage from Self and Family to Self Only or cancel coverage at any time?

No, not if you participate in Premium Conversion. Premium Conversion limits your opportunity to change your health coverage from Self and Family to Self Only and to cancel coverage entirely. If you are participating in Premium Conversion, you may make these changes only during health benefits open season (mid November through mid December each year) or within 60 days after you have a qualifying life event. Your change in enrollment must be consistent with and correspond to your qualifying life event. If you think you may want to cancel your health insurance coverage or change from Self and Family to Self Only coverage and do not anticipate a qualifying life event, you may want to waive participation in Premium Conversion during health insurance open season. You will no longer receive the tax advantage Premium Conversion provides, but you will have the flexibility to cancel coverage or change to Self Only at any time.

Yes, providing you do not participate in Premium Conversion.

What is a Qualifying Life Event? Can you provide some examples?

Let’s say you have family coverage for yourself and your child and your child turns 22 and is no longer eligible to be covered under your health insurance. Since you no longer have any eligible family members, this is considered a qualifying life event allowing you to change to Self Only coverage, as long as you make the change within 60 days after your child’s 22nd birthday. You would not be eligible to cancel your health insurance since you are still eligible for coverage. Another example -- you or your spouse are retired military and either one or both of you enroll in Tricare. If you are participating in Premium Conversion, this is NOT a qualifying life event that would allow you to cancel your health insurance or change from Self and Family to Self Only coverage. Some of the other qualifying life events that may allow you to change your Premium Conversion election can be located on the Office of Personnel Management’s (OPM) web site at <http://www.opm.gov/insure/health/pretaxfehb>, then click on “Frequently Asked Questions,” and finally, click on #14 “Qualifying Life Events.”

HEALTH INSURANCE, LIFE INSURANCE AND THRIFT SAVINGS PLAN

FREQUENTLY ASKED QUESTIONS (FAQS)

Where can I find out more about Federal Employees Health Benefits (FEHB), Federal Employees Group Life Insurance (FEGLI), and Thrift Savings Plan (TSP)? The Office of Personnel Management (OPM) has an excellent web site at <http://www.opm.gov> that provides information on FEHB, FEGLI, and TSP. In addition, be sure to visit the BEST Homepage for information tailored to the Air Force civilian employee. For extensive information about the Thrift Savings Plan, go directly to the TSP web site at <http://www.tsp.gov>.

FEDERAL EMPLOYEES' HEALTH BENEFITS (FEHB)

Where can I get information on providers and benefits coverage information? The plans print their provider directories and have them available during open season. Many plans also provide this information on their websites. You can also call the plan at the number listed in any of the Federal Employees Health Benefits Guides. The OPM web site mentioned above also provides links to the providers and benefits coverage information.

When can I change or cancel my health coverage? You can change plans or cancel coverage during open season and whenever certain qualifying life events (QLE)---such as marriage---occur. The open season normally runs from the second week of November to the second week of December each year with the effective date 1 Jan 03. For a QLE, you normally have 31 days prior to the event to 60 days after the event to make the change. Under a QLE, coverage cancellation must be done within 60 days after the event and must meet certain requirements.

Are pre-existing medical conditions covered under FEHB? Yes. There are no exclusions or waiting periods for pre-existing conditions in any plan in the Federal Employees' Health Benefits Program. This will also be the case after you retire.

What is Temporary Continuation of Coverage (TCC)? TCC is a feature of the FEHB program that allows certain people to temporarily continue their FEHB coverage after regular coverage ends. TCC is available to (1) employees who lose their FEHB coverage because they leave their Federal jobs (providing it's not due to gross misconduct), (2) employees who are involuntarily separated by reduction-in-force (RIF) or who resigned or retired after receipt of a RIF separation notice, (3) children who lose their FEHB family member status because they become age 22 or marry, and (4) former spouses who lose their FEHB family member status because of divorce or annulment. TCC allows former employees to continue their FEHB coverage for up to 18 months (36 months if involuntarily separated due to RIF) and former family members (children and former spouses) to continue FEHB coverage for up to 36 months.

FEDERAL EMPLOYEES' GROUP LIFE INSURANCE (FEGLI)

What kind of coverage can I get under FEGLI? Basic life insurance and Optional insurance are available. Your Basic Insurance Amount (BIA) is equal to the greater of (a) your annual basic pay rounded up to the next \$1,000 plus \$2,000, or (b) \$10,000. If you have Basic insurance, you have your choice of three types of Optional insurance: Option A (standard optional insurance), Option B (additional optional insurance), and Option C (family optional insurance). Option A is equal to \$10,000. Option B is equal to one, two, three, four, or five times your annual basic pay (after rounding up to the next \$1,000), depending on how many multiples you elect. Option C provides coverage for your spouse and eligible children. You may elect one, two, three, four or five multiples of coverage. Each multiple is equal to \$5,000 (\$25,000 maximum) for your spouse and \$2,500 (\$12,500 maximum) for each of your eligible dependent children.

How much life insurance do I have? You can look on a copy of your most recent Standard Form 50, Notification of Personnel Action, to determine the coverage you currently have. On that form, in block 27, there is a 2-character code that represents your current coverage and a definition of the code. To compute the value (and costs) of your life insurance, try out OPM's FEGLI calculator at <http://www.opm.gov/calculator/index.htm>.

How can I increase or decrease my current FEGLI coverage? You can increase coverage: (1) during open seasons specifically scheduled by OPM; (2) by waiting one year from last waiver of life insurance and submitting acceptable results of a physical exam/paid for by employee (31-day time limit after receipt of approval notification) (see article on page 2); or (3) within 60 days of a qualifying life event (QLE)---such as marriage or addition of a child. You can decrease your life insurance at any time.

Continued on page 5

HEALTH INSURANCE, LIFE INSURANCE AND THRIFT SAVINGS PLAN

FAQS CONTINUED

THRIFT SAVINGS PLAN (TSP)

What is TSP? The TSP is an important benefit designed to help you save for your future. The TSP is comparable to a private sector tax-deferred 401(k) plan. You can participate in the TSP if you are in the Federal Employees Retirement System (FERS), Civil Service Retirement System (CSRS), or CSRS Offset. The TSP offers all participants: (1) tax deferral on contributions; (2) a choice of five investment funds; (3) a loan program; (4) in-service withdrawals for financial hardship or after age 59-1/2; (5) a choice of post-separation withdrawal options; and (6) the ability to transfer money from other eligible retirement savings plans into your TSP account.

What are the benefits for a FERS employee? The TSP is especially important for FERS employees because it is one of three parts of your retirement income. Beginning 13 Jan 02, FERS employees can contribute as much as 12% of adjusted basic pay each pay period, up to the IRS annual limit (for 2002, \$11,000). As a FERS employee, you can receive two types of agency contributions to your TSP account when you become eligible, which together can equal as much as 5% of your basic pay:

(1) Agency Automatic Contributions. When you become eligible, your agency automatically deposits into your TSP account an amount equal to 1% of your adjusted basic pay each pay period, even if you do not contribute your own money. After 3 years of Federal civilian service (or 2 years in some cases), you are vested in these contributions and their earnings.

(2) Agency Matching Contributions Up to 4%. When you become eligible, your agency will match the first 3% of adjusted basic pay you contribute each pay period dollar for dollar and 50 cents on the dollar for the next 2% of adjusted basic pay. You are immediately vested in the matching contributions.

What are the benefits for a CSRS employee? Although CSRS employees do not receive any Agency contributions in their TSP accounts, they can still take advantage of the TSP to provide a source of retirement income in addition to their CSRS retirement benefit. Beginning 13 Jan 02, CSRS employees can contribute up to 7% of basic pay each pay period.

When can I elect to contribute? As a new or rehired Federal employee, if you are covered under FERS or CSRS/CSRS Offset, you have 60 days from your entrance on duty to elect to start contributing your TSP employee contributions. If you miss this time limit, you can elect during one of two TSP open seasons each year. Open Season dates are 15 May - Jul 31 and 15 Nov - 31 Jan.

When can I increase my contribution to 8% for CSRS or 13% for FERS?

During the 15 Nov 02 – 31 Jan 03 TSP Open Season, employees under FERS will be allowed to increase to 13% and CSRS to 8%.

FEDERAL LONG TERM CARE EARLY ENROLLMENT

When will the early enrollment be held? It will be held from 25 Mar - 15 May 02. OPM will update the information on their website, www.opm.gov/insure/ltc, as they have more details.

How much will Federal long term care insurance cost? OPM has not announced premiums yet. They will post the premiums for benefits available during early enrollment on the OPM website by 25 Mar 02, which is the start of the early enrollment period. OPM thinks it will be worth the wait — low group rates, great benefits and a nifty rate calculator to put it all together.

Who should enroll during the early enrollment? OPM designed the early enrollment specifically for individuals who have done their homework already and know what long term care and long term care insurance is all about. By applying early, they will waive their right to extensive education from LTC Partners. Individuals who need the education should wait to apply during the open season which will run 1 Jul - 31 Dec 02.

What will the underwriting be for the early enrollment? The underwriting requirements will be the same (meaning the same questions related to your health) as with the open season. Employees and their spouses will be subject to short form underwriting. All other eligible groups will be subject to full (long form) underwriting.

Will all of the benefits available during the open season later in the year be available during the early enrollment? No. The benefits available for you to choose will be less extensive during the early enrollment than the benefits available during the open season. For example, the lifetime benefit will not be available.

Can I change benefits once the open season starts? Yes. OPM will have more details on how to do this later.

Can I pay for my premiums with payroll deduction during the early enrollment? No. You will have to pay by direct billing from LTC Partners or by an automatic debit from your checking account. However, you will be able to change to payroll deduction during the open season if you wish.

At what age will my premium be calculated? Your "billing" age will be your age on the date that LTC Partners receives your early enrollment application.

If I change benefits during open season, can I preserve my "billing" age from the early enrollment? Yes.

If I apply during the early enrollment and I pass the underwriting and my application is approved, when will my coverage become effective? It will be effective on the later of 1 May 02, or the 1st of the month after your application is approved.

RETIREMENT

Full Service Employees



“DID YOU KNOW?”

Retirement Eligibility - Age & Years of Service Requirement

Did you know there are several types of retirement options available to both Civil Service Retirement System (CSRS and CSRS Offset) and Federal Employee Retirement System (FERS) employees and that the eligibility requirements to retire are different for each option?

To be eligible to retire under a particular retirement option, you must meet the specific age requirement and have at least the specific number of years of service required for that option. In addition, you must meet two general requirements: (1) you must have at least 5 years of creditable civilian service; and (2) you must be covered under CSRS or FERS retirement deductions on the date of retirement. If you are a CSRS employee, you must also meet the “one out of two” requirement, meaning that you must be covered under CSRS or CSRS Offset for at least 1 year out of the last 2 years immediately preceding your retirement.

The charts on the next few pages show retirement eligibility for CSRS/CSRS Offset and FERS employees. To find out more about the age and years of service eligibility requirements for the retirement system you are under and the retirement option you are considering, go to “Retirement” on the BEST Homepage or visit the OPM web site at <http://www.opm.gov/retire/html/faqs/faq11.html>. If you have questions, our Benefits Counselors are available Monday through Friday, 7:00 a.m. to 7:00 p.m. CST, to assist you.

CSRS/CSRS OFFSET RETIREMENT ELIGIBILITY REQUIREMENTS

Type of Retirement	Minimum Age	Minimum Service (Years)	Special Requirements
Optional	62	5	None
	60	20	None
	55	30	None
Special Optional	50	20	Special Optional - You must retire under special provisions for air traffic controllers or law enforcement and firefighter personnel. Air traffic controllers can also retire at any age with 25 years of service as an air traffic controller.
Early Optional	Any Age*	25	Early Optional - Your agency must be undergoing a major reorganization, reduction-in-force, or transfer of function as determined by the Office of Personnel Management.
	50*	20	
Discontinued Service	Any Age*	25	Discontinued Service - Your separation must be involuntary and not a removal for misconduct or delinquency.
	50*	20	
Disability	Any Age	5	Disability - You must be disabled for useful and efficient service in your current position and any other vacant position at the same grade or pay level within your commuting area and current agency for which you are qualified.**

* Annuity is reduced if under 55.

** Application must be prior to retirement, or within 1 year of separation, except in cases of mental incompetence.

RETIREMENT

Full Service Employees

FERS RETIREMENT ELIGIBILITY REQUIREMENTS

Type of Retirement	Minimum Age	Minimum Service (Years)	Special Requirements
Optional	62	5	None
	60	20	None
	MRA*	30	None
	MRA*	10	None (Note: Annuity is reduced 5% for each year employee is under age 62.)
Special Optional	Any age	25	Special Optional - You must retire under special provisions for air traffic controllers or law enforcement and firefighter personnel
	50	20	
Early Optional	Any age	25	Early Optional -- The Office of Personnel Management must have determined that your agency is undergoing a major reorganization, reduction-in-force, or transfer of function.
	50	20	
Discontinued Service	Any age	25	Discontinued Service -- Your separation must be involuntary and not for misconduct or delinquency.
	50	20	
Disability	Any age	18 months	Disability -- You must be disabled for useful and efficient service in both your current position and any other vacant position at the same grade or pay level for which you are qualified. Other requirements must also be met. **

FERS Minimum Retirement Age	
If you were born	Your MRA is
Before 1948	55
In 1948	55 and 2 months
In 1949	55 and 4 months
In 1950	55 and 6 months
In 1951	55 and 8 months
In 1952	55 and 10 months
In 1953 through 1964	56
In 1965	56 and 2 months
In 1966	56 and 4 months
In 1967	56 and 6 months
In 1968	56 and 8 months
In 1969	56 and 10 months
In 1970 and after	57

* MRA =Minimum Retirement Age. Depending on your year of birth, the MRA ranges from age 55 to age 57. To determine your MRA refer to the table on the right.

** Application must be prior to retirement, or within 1 year of separation, except in cases of mental incompetence.