
INSURANCE PROGRAMS

**Federal Employees'
Health Benefits (FEHB)**

Medicare Benefits

**Federal Employees' Group
Life Insurance (FEGLI)**

Long-Term Care Insurance

Insurance Programs

Contents

Federal Employees' Health Benefits (FEHB)

FEHB Premiums in Retirement.....	1
Continuation of FEHB Into Retirement.....	2
Tricare and FEHB.....	4
Table of Permissible Changes.....	5

Medicare

Medicare Overview.....	7
Medicare Part A - Hospital Insurance.....	9
Medicare Part B - Medical Insurance	10
Enrollment Periods.....	13
2011 Medicare Part B Pilot Program.....	14
Medicare Publications.....	15

Federal Employees' Group Life Insurance (FEGLI)

Continuation of Basic FEGLI Into Retirement.....	16
Post-Retirement Reduction Elections.....	17
Continuation of Optional FEGLI Into Retirement.....	19
FEGLI Summary Chart.....	22

Long-Term Care Insurance.....	23
-------------------------------	----



FEHB Premiums in Retirement

Federal employees may continue FEHB into retirement upon meeting certain requirements.

The Federal government continues to pay a large portion of the FEHB premium for Federal retirees.

Currently, retirees are not permitted to pay FEHB premiums on a pre-tax basis.

Premiums are withheld on a monthly basis.



Continuation of FEHB Into Retirement

A retiring employee is eligible to continue Federal Employees' Health Benefits (FEHB) coverage into retirement if he/she:

1. retires on an immediate annuity (commences within 31 days of separation), and
2. is insured on date of retirement, and
3. was covered by Federal Employees' Health Benefits, under his/her own enrollment or as a family member under another Federal enrollment, for the five years of service immediately preceding retirement or since his/her first opportunity to enroll.

FEHB Changes in Retirement

Enrollments may be changed from self-only to family and from one plan or option to another only during open seasons or upon specific events. (See Table of Permissible Changes.)

Enrollments may be canceled or changed from family to self-only at any time.

Annuitants, generally, are **not permitted to enroll** in Federal Employees' Health Benefits after retirement.

Exception:

A Federal retiree who loses coverage as a family member under his/her spouse's self and family FEHB is eligible to enroll in a FEHB plan if he/she had retired on an immediate annuity and had been continuously covered under the FEHB Program for the five years of service immediately preceding retirement or since first opportunity to enroll, whichever is shorter.

FEHB Enrollment After Retirement

**Example # 1: Jim & Janice
Two Federal Retirees**

Jim changes from self and family to self only.

Janice lost her Federal health insurance coverage.

Janice was covered by Jim's self and family FEHB for more than 5 years prior to her immediate retirement.

Janice may enroll in her own FEHB plan as a retiree.

FEHB Enrollment After Retirement

Example # 2: Mike and Mary Two Federal Retirees

Mike carried the self and family enrollment in retirement. Mike elected no survivor benefit for Mary.

Mike predeceased Mary. Mary lost her FEHB coverage as a family member.

Mary was covered by Mike's self and family FEHB for more than 5 years prior to her immediate retirement.

Mary may enroll in her own FEHB plan as a retiree.

Example # 3: Clare and Charlie Federal Retiree - Non-Federal Spouse

Clare, a Federal retiree, continued self and family FEHB into retirement.

Charlie worked for XYZ Company and was provided very good and inexpensive self and family health insurance as an employee.

Clare canceled her FEHB in retirement and was covered by Charlie's private insurance.

Charlie retired from XYZ Company and was offered a more costly health plan in retirement.

Clare MAY NOT enroll in FEHB.

Federal Health Insurance For Surviving Spouse

Caution

A surviving spouse will not be permitted to continue Federal Health Benefits upon the death of a retiree unless a survivor annuity is payable.



FEHB Suspension in Retirement

FEHB Coverage May be Suspended in Retirement

Retirees may suspend FEHB enrollment to enroll in a Medicare HMO, Tricare, Tricare-for-Life or Champus. (Tricare, Tricare-for-Life and Champus are health insurance plans for military retirees and dependents.)

Retirees May Reinstate Suspended FEHB Coverage

Retirees may reinstate FEHB coverage during an open season or if the coverage in the Medicare HMO, Tricare, Tricare-for-Life, or Champus is terminated.



Tricare and FEHB

Tricare, Tricare-for Life and Champus coverage qualify for the 5 years of health insurance coverage required to continue FEHB into retirement.

Tricare, Tricare-for Life and Champus do not qualify as enrolled in FEHB on date of separation.

You may enroll in FEHB during the open season effective prior to retirement, continue FEHB into retirement and then suspend FEHB coverage in retirement to utilize Tricare or Tricare-for Life or Champus coverage. (Note: the FEHB coverage must be effective on or before date of separation.) You may return to FEHB coverage during an open season, or if you lose the Tricare, Tricare-for-Life or Champus coverage.

Contact OPM to suspend coverage. Inform OPM that you are suspending coverage because you plan to use Tricare, Tricare-for-Life, Champus or a Medicare HMO.

Table of Permissible Changes Annuitants and Compensationers

<i>Qualifying Life Events (QLEs) That Permit Enrollment or Change</i>		<i>Change Permitted</i>			<i>Time Limits</i>
<i>Code</i>	<i>Event</i>	<i>From Not Enrolled to Enrolled</i>	<i>From Self Only to Self and Family</i>	<i>From One Plan or Option to Another</i>	<i>When You Must File Health Benefits Election Form With OPM</i>
2	Annuitants and Compensationers				
<i>Note for enrolled survivor annuitants: A change in family status based on additional family members can only occur if the additional eligible family members are family members of the deceased employee or annuitant.</i>					
2A	Open Season	No	Yes	Yes	As announced by OPM.
2B	Change in family status; for example: marriage, birth or death of family member, adoption, legal separation, or divorce.	No	Yes	Yes	From 31 days before through 60 days after the event.
2C	Reenrollment of annuitant who cancelled FEHB enrollment to enroll in a Medicare-sponsored plan, Medicaid, or similar State-sponsored program and who later was involuntarily disenrolled from the Medicare-sponsored plan, Medicaid, or similar State-sponsored program.	May Reenroll	N/A	N/A	From 31 days before through 60 days after disenrollment.
2D	Reenrollment of annuitant who cancelled FEHB enrollment to enroll in a Medicare-sponsored plan, Medicaid, or similar State-sponsored program and who later voluntarily disenrolls from the Medicare-sponsored plan, Medicaid, or similar State-sponsored program.	May Reenroll	N/A	N/A	During open season.
2E	Restoration of annuity or compensation (OWCP) payments; for example: Disability annuitant who was enrolled in FEHB, and whose annuity terminated due to restoration of earning capacity or recovery from disability, and whose annuity is restored; Compensationers whose compensation terminated because of recovery from injury or disease and whose compensation is restored due to a recurrence of medical condition; Surviving spouse who was covered by FEHB immediately before survivor annuity terminated because of remarriage and whose annuity is restored; Surviving child who was covered by FEHB immediately before survivor annuity terminated because student status ended and whose survivor annuity is restored; Surviving child who was covered by FEHB immediately before survivor annuity terminated because of marriage and whose survivor annuity is restored.	Yes	N/A	N/A	Within 60 days after the retirement system or OWCP mails a notice of insurance eligibility.
2F	Annuitant or eligible family member loses FEHB coverage due to termination, cancellation, or change to Self Only of the covering enrollment.	Yes	Yes	Yes	From 31 days before through 60 days after date of loss of coverage.
2G	Annuitant or eligible family member loses coverage under FEHB or another group insurance plan; for example: Loss of coverage under another federally-sponsored health benefits program; Loss of coverage due to termination of membership in the employee organization sponsoring the FEHB plan; Loss of coverage under Medicaid or similar State-sponsored program (but see events 2C and 2D); Loss of coverage under a non-Federal health plan.	Yes	Yes	Yes	From 31 days before through 60 days after loss of coverage

Table of Permissible Changes Annuitants and Compensationers

<i>QLEs That Permit Enrollment or Change</i>		<i>Change Permitted</i>			<i>Time Limits</i>
<i>Code</i>	<i>Event</i>	<i>From Not Enrolled to Enrolled</i>	<i>From Self Only to Self and Family</i>	<i>From One Plan or Option to Another</i>	<i>When You Must File Health Benefits Election Form With OPM</i>
2H	Annuitant or eligible family member loses coverage due to the discontinuance, in whole or part, of an FEHB plan.	N/A	Yes	Yes	During open season, unless OPM sets a different time.
2I	Annuitant or covered family member in a Health Maintenance Organization (HMO) moves or becomes employed outside the geographic area from which the carrier accepts enrollments, or if already outside this area, moves or becomes employed further from this area.	N/A	Yes	Yes	Upon notifying the employing office of the move or change of place of employment.
2J	Employee in an overseas post of duty retires or dies.	No	Yes	Yes	Within 60 days after retirement or death.
2K	An enrolled annuitant separates from duty after serving 31 days or more in a uniformed service.	N/A	Yes	Yes	Within 60 days after separation from the uniformed service.
2L	On becoming eligible for Medicare. (This change may be made only once in a lifetime.)	N/A	No	Yes	At any time beginning on the 30th day before becoming eligible for Medicare.
2M	Annuitant's annuity is insufficient to make withholdings for plan in which enrolled.	N/A	No	Yes	OPM will advise annuitant of the options.

Events permitting changes for employees, former spouses and Temporary Continuation of Coverage for former employees, former spouses and children are available in the FEHB Handbook on www.opm.gov. Search "FEHB Permissible Changes".

Medicare

Original Medicare Plan

Medicare is a Federal health insurance program for people age 65 or older, people any age with permanent kidney failure, and certain disabled people. Medicare is administered by the Health Care Financing Administration. The Social Security Administration provides information about the program, takes applications for Medicare, and assists beneficiaries in claiming Medicare payments.

The Original Medicare Plan is the traditional pay-per visit arrangement that covers Medicare Part A and Part B services. Participants can go to any doctor, hospital, or other health care provider who accepts Medicare.

Medicare+Choice Managed Care Plan

Beginning in 1999, Medicare eligible annuitants may remain in Original Medicare or elect to receive Medicare benefits from an array of Medicare+Choice managed care plan options. These are Medicare sponsored HMO plans, referred to as Medicare Coordinated Care Plans (MCCPs). These managed care plans involve a group of doctors, hospitals, and other health care providers who have agreed to provide care to Medicare beneficiaries in exchange for a fixed amount of money from Medicare every month. They include Health Maintenance Organizations (HMOs), HMOs with Point of Service Options, Provider Sponsored Organizations, and Preferred Provider Organizations.

Medicare+Choice enrollees may not need FEHB coverage because the Medicare managed care plan provides many of the same benefits as FEHB. FEHB enrollees may suspend FEHB coverage to enroll in a Medicare managed care plan and later re-enroll in FEHB if they lose or cancel the Medicare managed care plan. For additional information, contact OPM before suspending FEHB coverage by calling 1-888-767-6738 or 202-606-0500 or write to:

Office of Personnel management
Retirement Operations Center
P.O. Box 45
Boyers, PA 16017-0045

Medicare

Medicare At-A-Glance

**Original Medicare Part A
(Hospital Insurance)
helps pay for:**

- inpatient hospital care
- skilled nursing facility care
- home health care
- hospice care

**Original Medicare Part B
(Medical Insurance)
helps pay for:**

- doctor's services
- outpatient hospital care
- X-rays and laboratory tests
- durable medical equipment and supplies
- home health care (if you don't have Part A)
- certain preventive care
- limited ambulance transportation
- other outpatient services
- some other medical services that Part A doesn't cover, such as physical and occupational therapy.

Medicare Part A Hospital Insurance

Eligibility & Cost

- Persons age 65 or older receiving Social Security benefits are **automatically enrolled** in Medicare Part A with **no monthly premium**.
- **Medicare Part A was extended to all Federal employees on 1/1/83.** All Federal employees (and spouses) and former Federal employees (and spouses) who were in Federal service on 1/1/83 or worked for at least ten years in Medicare-covered employment **may enroll with no premium**.
- Persons age 65 or older who are not otherwise eligible can buy Part A Medicare protection.

Deductibles

The **deductibles** for Medicare hospital and skilled nursing facility benefits are based upon benefit periods.

2013 Deductibles (per benefit period):

Hospital period:

1st 60 days	\$1,184
61 - 90 days	\$296/day
91 - 150 days	\$592/day

Skilled nursing care (following hospitalization)

1st 20 days	no deductible
21 - 100 days	\$148/day

Benefit Period

A benefit period begins on the first day of inpatient Medicare-covered service in a qualified hospital and ends after 60 days in a row out of a hospital or facility that provides skilled nursing or rehabilitation services. A new benefit period begins upon return to hospital after 60 days.

Medicare Part B Medical Insurance

Eligibility

Almost anyone who is age 65 or older is eligible to enroll in Part B - medical insurance.

Cost

The **monthly premium** for Part B - medical insurance changes annually. Generally, premiums are withheld from the monthly Social Security payment. If an individual is not eligible for Social Security payments, he/she may elect to pay quarterly premiums directly to the Health Care Financing Administration or have the premiums withheld from his/her Civil Service annuity.

The 2013 Part B monthly premium for most medicare enrollees is \$104.90 per month per person.

Beneficiaries who file taxes as “married, filing jointly” with modified adjusted gross income (MAGI) of more than \$170,000, and all other taxpayer filing statuses, with MAGI of more than \$85,000, pay higher Part B premiums.

2013 Medicare Part B Premiums

<u>Income</u>	<u>Part B Premium</u>
Individual MAGI: < \$85,000 Married MAGI: < \$170,000	\$104.90
Individual MAGI: \$85,000 - \$107,000 Married MAGI: \$170,000 - \$214,000	\$144.90
Individual MAGI: \$107,000 - \$160,000 Married MAGI: \$214,000 - \$320,000	\$204.80
Individual MAGI: \$160,000 - \$214,000 Married MAGI: \$320,000 - \$428,000	\$264.70
Individual MAGI: > \$214,000 Married MAGI: > \$428,000	\$324.70

Deductibles

Medicare Part B pay 80% of Medicare covered expenses after reaching an annual deductible. **The 2013 annual deductible is \$147.00**

Medicare Exclusions

Medicare does not cover:

- monthly Part B premium
- deductibles, coinsurance or copayments
- outpatient prescription drugs (with few exceptions)
- custodial care at home or in a nursing home
- most dental care and dentures
- routine foot care
- hearing aids
- routine eye care
- health care while traveling outside of the US
- cosmetic surgery
- some vaccinations
- orthopedic shoes

FEHB and Medicare Coordination

FEHB and Medicare Coordination of Benefits

Generally, FEHB plans help pay for the same kinds of expenses as Medicare. FEHB plans may also provide coverage for:

- prescription drugs
- routine physicals
- emergency care outside of the US
- some preventive care that Medicare does not cover
- Some FEHB plans provide dental / vision coverage

FEHB fee-for-service plans waive most of their deductibles, coinsurance, and copayments for part B enrollees. Medicare and the FEHB fee-for service plans generally combine to provide nearly complete coverage for all expenses.

FEHB and Medicare Coordination

Employment status & Medicare enrollment status	Primary Payer	Secondary Payer
Federal employee, age 65 or older enrolled in Medicare A (or A & B)	FEHB	Medicare
Spouse of Federal employee, age 65 or older, enrolled in Medicare A (or A & B)	FEHB	Medicare
Federal employee under age 65, eligible for Medicare solely on the basis of disability	FEHB	Medicare
Family member of Federal employee, is under age 65, eligible for Medicare solely on the basis of disability	FEHB	Medicare
Retired Federal employee, age 65 or older, enrolled in Medicare A (or A and B)	Medicare	FEHB
Spouse of retired Federal employee, age 65 or older, enrolled in Medicare A (or A and B)	Medicare	FEHB

Medicare Glossary of Terms

Assignment

In the Original Medicare Plan, Assignment is an arrangement where a doctor or supplier agrees to accept the Medicare-approved amount as payment in full for services and supplies covered under Part B. When your doctor accepts assignment, you can be billed only for the difference between the Medicare approved amount and the combined payments made by Medicare and any secondary payer, such as FEHB.

Limiting Charge

The maximum amount doctors and other health care providers who don't accept Medicare assignment can charge for covered services. This limit is 15% over Medicare's approved payment amount.

Medicare Approved Amount

The amount that Medicare determines to be reasonable for a service that is covered under Part B of Medicare. It may be less than the actual charge.



Medicare Enrollment Periods

7-month initial enrollment period:

The initial enrollment period for Medicare is the 7-month period surrounding the 65th birthday. An individual who is receiving Social Security benefits will receive a Medicare enrollment package in the mail approximately three months prior to age 65 explaining **automatic enrollment in Parts A and B**. If the individual does not want to enroll in Part B, he/she must return the Medicare card in the envelope provided to receive a new Medicare card showing Part A coverage only. **An individual who is not receiving Social Security benefits must contact the Social Security Administration to enroll in Medicare.**

General enrollment period: January 1 through March 31.

An individual who enrolls during the general enrollment period will be charged a **late enrollment penalty equal to 10%** of the monthly premium for each 12 month period he/she could have been enrolled, but was not.

Special enrollment period:

An individual who continues to work and is covered by an employer health plan or is covered by a spouse's employer health plan, has a special 8 month enrollment period beginning with the month of retirement or the month that the employer health plan ends to enroll in Medicare - Part B with no penalty.



Medicare Part B Sub-Option Plan

Mailhandlers Medicare Part B Sub-Option Plan

Mailhandlers offers a Medicare Part B Sub Option Plan which began in 2011.

This program permits retirees to enroll in Medicare Part B without bearing the cost of the Medicare premium and avoid the penalty for late enrollment in Medicare Part B if they choose to enroll in the more comprehensive package of Medicare and traditional FEHB at a later age.

Mailhandlers will pay the regular Medicare Part B premium of \$104.90 per month for those enrolled in the Mailhandlers Medicare Part B Sub-Option Program.

Participants in this program are responsible for the Standard Option deductibles, copayments and coinsurance in addition to the Medicare deductibles.

Additional information on the Mailhandlers Part B Sub-Option Plan is available in section 9 of the 2013 Mailhandlers Benefit Plan Brochure. Go to www.opm.gov. Search “2013 FEHB plan brochures”. Click on any state to access Nationwide Fee-For-Service plans. Go to Mailhandlers Benefit Plan Nationwide.

Medicare Part D - Rx

OPM has determined that the prescription drug coverage offered by plans participating in the FEHB program is, on average, comparable to Medicare Part D prescription drug coverage, thus you do not need to enroll in Medicare Part D and pay extra for prescription drug benefits.

If you decide to enroll in Medicare Part D later, you will not have to pay a penalty for late enrollment as long as you keep your FEHB coverage.

Medicare Publications

FEHB Publications

See your **FEHB Plan brochure** for a discussion of coordination of benefits when you have Medicare.

Medicare / FEHB Publications

The Federal Employees Health Benefits Program and Medicare

RI 75-12, November 1999, published by The Retirement and Insurance Group, U.S. Office of Personnel Management. Available via OPM Internet site: (www.opm.gov) or through your Personnel Office.

Medicare Publications

The following Medicare publications may be obtained from any Social Security office or by writing to:

Medicare Publications
Health Care Financing Administration
6325 Security Boulevard
Baltimore, MD 21207

- The Medicare Handbook
- Medicare Q & A: 85 Commonly Asked Questions
- Guide to Health Insurance for People with Medicare
- Medicare and Coordinated Care Plans
- Medicare Hospice Benefits
- Medicare and Other Health Benefits
- Medicare and Your Physician's Bill

Internet Addresses

Medicare: <http://www.hcfa.gov>
Social Security: <http://www.ssa.gov>
OPM: <http://www.opm.gov>
NARFE: <http://www.narfe.org>

Continuation of Federal Employees' Group Life Insurance into Retirement

Value The value of a retiree's Basic Life Insurance is equal to the employee's salary on date of retirement rounded to the higher thousand, plus two thousand.

Continuation Into Retirement A retiring employee is eligible to continue Basic Life Insurance into retirement if he/she:

- 1) Retires on an immediate annuity (annuity commences within 31 days of separation), and
- 2) Is insured on date of retirement, and
- 3) Was covered by Basic life insurance for the five years of service immediately preceding retirement or since his/he first opportunity to enroll, and
- 4) Does not convert to a private policy.

Retirees will pay premiums for Federal Employees' Group Life Insurance in retirement until age 65. Premiums are withheld on a monthly basis.

Premiums Premiums for Basic Life Insurance: 32.50 cents per month per \$ 1000 of Basic life insurance coverage.

See Post-Retirement Basic Life Insurance Reduction Election for additional charges for "50% reduction" or "No reduction" elections.

Post-Retirement Basic Life Insurance Reduction Election

Retiring employees must choose one of the following reductions in basic life insurance:

1) 75% Reduction The value of the basic life insurance begins to reduce at age 65, or at retirement, if later, at the rate of 2% per month until it reaches 25% of its original value.

Cost : Free

2) 50% Reduction The value of the Basic life insurance begins to reduce at age 65, or at retirement, if later, at the rate of 1% per month until it reaches 50% of its original value.

Cost: \$ 0.64 per month per \$ 1000 Basic life insurance coverage on date of retirement. Charge is effective on date of retirement and continues for life.

3) No Reduction The value of the Basic life insurance does not reduce. Basic life insurance retains its full value forever.

Cost: \$ 1.94 per month per \$1000 Basic life insurance coverage on date of retirement. Charge is effective on date of retirement and continues for life.

Post-Retirement Life Insurance Premiums and Reduction Election Costs

<u>Reduction Election</u>	<u>Until Age 65</u>	<u>After Age 65</u>
75% Reduction	.325/mo./\$1000 (Premium only)	free
50% Reduction	.965/mo./\$1000 (Premium & Red.Cost)	.64/mo./\$1000 (Red. Cost only)
No Reduction	2.265/mo./\$1000 (Premium & Red. Cost)	1.94/mo./\$1000 (Red.Cost only)

Post-Retirement Basic Life Insurance Reduction Election

Example

Final salary: \$57,500.

Value of Basic Life Insurance: \$60,000.

1) 75% Reduction

At retirement:

- \$19.50 monthly premium until age 65
- Retain full \$60,000 value

At age 65:

- No premiums
- \$60,000 → 2% per month → \$15,000

2) 50% Reduction

At retirement:

- \$19.50 monthly premium until age 65, plus \$38.40 monthly reduction election cost
- Retain full \$60,000 value

At age 65:

- No premium
- Continue to pay \$38.40 monthly reduction election cost.
- \$60,000 → 1% per month → \$30,000

3) No Reduction

At retirement:

- \$19.50 monthly premium until age 65, plus \$116.40 monthly reduction election cost
- Retain full \$60,000 insurance coverage

At age 65:

- No premium
- Continue to pay \$116.40 monthly reduction election cost
- \$60,000 insurance coverage retains full value

Optional Life Insurance

Option A - Standard \$ 10,000 Additional Coverage

**Continuation
into
Retirement**

- A retiring employee may continue Option A into retirement if he/she:
1. is eligible to continue Basic Life Insurance into retirement, and.
 2. was covered by the option A for the five years of service immediately preceding retirement or since his/her first opportunity to enroll, and
 3. is entitled to annuity sufficient to cover the cost of the premiums.

Cost

Retired employees pay premiums for Option A until age 65.

Reductions

The value of Option A - Standard Life Insurance begins to reduce at age 65 or at retirement, if later, at the rate of 2% per month until it reaches 25% of its original value, or \$2,500.

Premiums* for Optional Insurance			
are based on the age of the <u>retiree</u>			
AGE	Monthly rate for \$10,000 Option A - LI	Monthly rate for \$1,000 Option B - LI	Monthly rate per multiple of Option C - LI
< 35	0.65	0.043	0.48
35 - 39	0.87	0.065	0.63
40 - 44	1.30	0.108	0.91
45 - 49	1.95	0.173	1.37
50 - 54	3.03	0.282	2.04
55 - 59	5.85	0.498	3.29
60 - 64	13.00	1.127	5.85
65 - 69	Free	1.343	6.80
70 - 74	Free	2.470	7.80
75 - 79	Free	3.900	10.40
80 and over	Free	5.200	14.30

These are the 2013 rates. Premiums may change in future years.

Optional Life Insurance

(Continued)

Option B - Additional Multiples of Salary

Option B provides additional insurance in multiples of 1,2,3,4 or 5 times the annual basic pay on date of retirement. The annual basic pay is rounded up to the next thousand.

Continuation into Retirement

- A retiring employee may continue Options B into retirement if he/she:
1. is eligible to continue Basic Life Insurance into retirement, and
 2. was covered by option B for the five years of service immediately preceding retirement or since his/her first opportunity to enroll,
 3. is entitled to annuity sufficient to cover the cost of the premiums.

The retiree may only continue the lowest number of multiples of Option B - Additional Optional Life Insurance he/she has carried in the last five years into retirement.

Retiring employees must elect Full Reduction or No Reduction in Option B Life Insurance. Election is made at time of retirement.

Reduction Elections

Full Reduction

- Retiree continues to pay full premiums for Option B Additional Optional Insurance until age 65.
- The value of Option B begins to reduce at age 65, (or retirement if later) at the rate of 2% per month until coverage terminates.

No Reduction

- Retiree pays premiums for Option B forever.
- Option B Life Insurance retains full value.

Mixed Election

- The retiree may choose "No Reduction" on some multiples of Option B and "Full Reduction" on other multiples of Option B.

Changes

- The retiree may change from "No Reduction" to "Full Reduction" at any time. If an individual age 65 or over changes to Full Reduction, the amount of insurance in force is computed as if he or she had elected Full Reduction initially. There is no refund of premiums.

Optional Life Insurance

(Continued)

Option C - Family Life Insurance

Family Life Insurance provides coverage on the spouse and eligible children of the insured. Benefits are available in 1,2,3,4, or 5 multiples of \$5,000 if the spouse predeceases the retiree and \$ 2,500 if an eligible child predeceases the retiree.

Continuation into Retirement

- A retiring employee may continue Option C into retirement if he/she:
1. is eligible to continue Basic Life Insurance into retirement, and
 2. was covered by the Option C for the five years of service immediately preceding retirement or since his/her first opportunity to enroll, and
 3. is entitled to annuity sufficient to cover the cost of the premiums.

Retiring employees must elect “Full Reduction” or “No Reduction” in Option C - Family Life Insurance. Election is made at time of retirement.

Reduction Elections

Full Reduction

- Retiree continues to pay full premiums for Option C - Family Insurance until age 65.
- The value of Option C begins to reduce at age 65, or retirement if later) at the rate of 2% per month until coverage terminates.

No Reduction

- Retiree pays premiums for Option C forever.
- Option C Life Insurance retains full value.

Mixed Election

- The retiree may choose “No Reduction” on some multiples of Option C and “Full Reduction” on other multiples of Option C.

Changes

- The retiree may change from “No Reduction” to “Full Reduction” at any time. If an individual age 65 or over changes to Full Reduction, the amount of insurance in force is computed as if he or she had elected “Full Reduction” initially. There is no refund of premiums.

FEGLI Life Insurance Options Summary

TYPE OF INSURANCE	WHAT HAPPENS AFTER RETIREMENT	WHAT HAPPENS AT AGE 65?	CHANGES AFTER RETIREMENT
<p>Basic Life</p> <p>Basic Life Reduction: (1) 75% reduction: Free (2) 50% reduction: .64/\$1000 LI (3) No reduction: 1.94/\$1000 LI</p>	<p>Must pay premiums until age 65</p> <p>Retiring employee must elect reduction schedule. Withholdings for election begin immediately after retirement.</p>	<p>Reduction depends upon election made at retirement</p> <p>Annuitant continues to pay costs for 50% or no reduction elections.</p>	<p>Can change from "No Reduction" or "50% Reduction" to the "75% Reduction" at any time.</p>
<p>Option A Standard Optional (\$10,000)</p>	<p>Must pay premiums until age 65.</p>	<p>Free, but reduces 2% per month to 25%.</p>	<p>Can be canceled.</p>
<p>Option B Additional Optional (1,2,3,4 or 5 times annual salary)</p>	<p>Retiring employee must choose:</p> <p>Full Reduction: Pay full premiums until 65.</p> <p>No Reduction: Pay full premiums forever.*</p>	<p>No premiums at age 65. Insurance reduces 2% per month to 0.</p> <p>Continue to pay full premiums after age 65. Insurance retains full value. *</p>	<p>Can cancel or change to fewer multiples.</p> <p>Can change from "No Reduction" to "Full Reduction" at any time.*</p>
<p>Option C: Family Insurance 1,2,3,4 or 5 multiples of: \$5,000 for spouse \$2,500 for child</p> <p>Total - Spouse: \$5,000 - \$25,000</p> <p>Total - Children: \$2,500 - \$12,500.</p>	<p>Retiring employee must choose:</p> <p>Full Reduction: Pay full premiums until 65.</p> <p>No Reduction: Pay full premiums forever.</p>	<p>No premiums at age 65. Insurance reduces 2% per month to 0.*</p> <p>Continue to pay full premiums after age 65. Insurance retains full value.</p>	<p>Can cancel or change to a fewer number of multiples.</p> <p>Can change from "No Reduction" to "Full Reduction" at any time.*</p>

* If an individual age 65 or over changes to Full Reduction, the amount of insurance in force is computed as if he or she had elected "Full Reduction" initially. There is no refund of premiums.



Long Term Care Insurance

The Long Term Care Security Act, signed into law on September 19, 2000, introduced long term care (LTC) insurance to Federal employees, retirees, members of the uniformed services, and their families.

Long term care insurance helps pay for ongoing care for people who need lengthy or even lifelong assistance with daily living due to an illness, injury, or severe cognitive impairment (such as Alzheimer’s disease).

Long Term Care Partners, LLC, administers the long term care insurance programs for the Federal Government and is owned by John Hancock Life and Health Insurance Company.

Open Season 2011

An Open Season for Federal Long Term Care Insurance was held from April 4, 2011 through June 24, 2011. During the Open Season, actively at work employees and their spouses, including same-sex domestic partners of civilian workforce members, who are not currently enrolled will be permitted to apply to the Federal Long Term Care Insurance Program. Non-enrolled annuitants and other qualified relatives can apply for coverage with a full underwriting application during this period, as well as at any other time during the year.

Open seasons for LTC insurance will not be held annually as are Federal health insurance open seasons.

New Employees

Newly hired employees are permitted to enroll in LTC insurance subject to abbreviated underwriting during the first sixty days employment.

Current Eligibility to Enroll (Outside of an Open Season)

All eligible groups described on the following page are permitted to enroll in LTC insurance subject to full underwriting.

Long Term Care Insurance

(Continued)

Eligible Groups “The Federal Family”

Individuals eligible to apply for this LTC insurance coverage are:

Employees

Federal employees and members of the uniformed services,

Annuitants

Federal retirees, survivor annuitants, individuals receiving compensation from the Department of Labor, retirees of the uniformed services, and retired military reservists at the time they qualify for an annuity,

Spouses of employees and annuitants,

Adult children of employees and annuitants,

Parents, parents-in-law, and stepparents of employees (but not of annuitants),

Same-sex domestic partners of employees and annuitants.

Customized Benefits

Enrollees may customize benefits by selecting the following options:

- daily benefit
- length of policy
- inflation protection

The daily benefit amount multiplied by the length of the policy determines the “pool of money” available for long term care expenses.

Standard Benefits

All plans include the following benefits:

- Up to 100% of the daily benefit allowance for home health care
- Informal care, including care by family members
- Stay-at-home benefit
- 90 calendar day waiting period



Long Term Care Insurance

(Continued)

Prepackaged Plans

Four pre-packaged plans, which include popular benefits of the long term care insurance program, are available. These include:

- Plan A: \$150 daily benefit for up to a 2 year period.
Maximum lifetime benefit = \$ 109,500
- Plan B: \$150 daily benefit for up to a 3 year period.
Maximum lifetime benefit = \$ 164,250
- Plan C: \$200 daily benefit for up to a 3 year period.
Maximum lifetime benefit = \$ 219,000
- Plan D: \$200 daily benefit for up to a 5 year period.
Maximum lifetime benefit = \$ 365,000

Premiums

Premiums are based on your age when you apply for the coverage and the benefits chosen.

The enrollee pays 100% of the premium. There is no government contribution toward the LTC insurance premium.

A premium calculator is available at www.ltcfeds.com.

Sample Premiums

Sample bi-weekly premiums for Plan B:

Age at Purchase	4% ACI	5% ACI	FPO
40	\$27.23	\$40.17	\$9.39
50	\$42.21	\$57.61	\$16.11
60	\$68.75	\$86.40	\$30.75
70	\$98.88	\$114.55	\$65.80

Additional Resources

For additional information, see www.LTCFEDS.com or call 1-800-LTC-FEDS (1-800-582-3337) .