

NONPAY STATUS

Continued Coverage

You are entitled to continue life insurance for up to 12 months while you are in nonpay status. The 12-month period starts when you are in nonpay status for an entire pay period. No premium payments are required – either from you or from your agency – when you are in nonpay status for an entire pay period.

Exceptions:

- If you are receiving Workers' Compensation, OWCP withholds the premiums from your compensation
- If you accept another position while you are in nonpay status, you do have to pay premiums. The agency that is actually paying you a salary withholds the premiums from your salary. If the new position is a temporary (not-to-exceed one year) FEGLI ineligible position, the withholding is based on whichever position has the higher salary; otherwise, the withholding is based on the combined salaries
- If you are in one of the special nonpay situations described below, you may have to pay premiums, depending on the election you make

Your life insurance coverage terminates at the end of the 12-month period, with a 31-day extension of coverage and a right to convert to an individual policy.

If your 12-month period of continued coverage while in nonpay status is interrupted by a period of less than four months in pay status, your 12-month eligibility period continues when you return to nonpay status. If you return to pay status for four (or more) consecutive months, and then return to nonpay status, you begin a new 12-month eligibility period. To meet the four consecutive months' requirement, you must be in pay status for at least part of each pay period during four consecutive months. It is important to remember that FEGLI premiums for the whole pay period are withheld if you are in pay status for any part of the pay period.

Exceptions:

- If your coverage terminates because you have completed 12 months in nonpay status, you must return to pay *and duty* status in a FEGLI eligible position to get the coverage back. Once coverage has terminated, simply returning to pay status – such as by using donated leave or any other kind of leave– does not reinstate your FEGLI coverage.
- If you return to pay and duty status in a FEGLI eligible position after your coverage has terminated due to being in nonpay status for more than 12 months, your coverage is reinstated. However, if you do not remain in pay status for at least four months, your coverage is again terminated when you return to nonpay status. You cannot get a new 12-month eligibility period unless you return to pay status and remain in pay status for at least four months.
- Being in nonpay status is not a break in service, since you are still on your agency's rolls. Therefore, you do *not* get a new election opportunity when you return to pay and duty status. You cannot elect new coverage unless you follow the procedures in *Canceling a Waiver and Electing Coverage*.

Example 1

Wendy went into nonpay status 4/11/12 and returned to pay status 6/26/12 by using donated leave. She went back into nonpay status 8/31/12. Since 4/11/12 was in the middle of a pay period, Wendy's 12-month period of continued coverage began 4/16/12, her first full pay period in nonpay status. She returned to pay status 6/26/12, which was the first work day in the pay period. She therefore used 70 days (five full pay periods) of her 12-month period of continued

coverage before returning to pay status on 6/26/12. Since Wendy was not in pay status for four months when she went back into nonpay status on 8/31/12, she did not start a new 12-month period of continued coverage. When she went back into nonpay status on 8/31/12, Wendy's original 12-month period picked up where it left off; she has 295 days remaining. Since 8/31/12 was in the middle of a pay period, the remainder of Wendy's 12-month period starts counting again on 9/3/12, her first full pay period back in nonpay status. FEGLI coverage will terminate at the end of the day on 6/24/13, if she doesn't return to pay status before then.

Example 2

Xavier went into nonpay status 4/11/12 and returned to pay and duty status 6/26/12. He went back into nonpay status 12/5/12. Since 4/11/12 was in the middle of a pay period, Xavier's 12-month period of continued coverage began 4/16/12, his first full pay period in nonpay status. He returned to pay status 6/26/12, which was the first work day in the pay period. He therefore used 70 days (five full pay periods) of his 12-month period of continued coverage before returning to pay status on 6/26/12. Since Xavier was in pay status for more than four months when he went back into nonpay status on 12/5/12, he is entitled to start a new 12-month period of continued coverage. If he remains in nonpay status, his FEGLI coverage will not terminate until the end of the day on 12/4/13.

Example 3

Xenia went into nonpay status 4/11/11 and returned to pay and duty status 7/17/12. She went back into nonpay status 10/12/12. Since 4/11/11 was in the middle of a pay period, Xenia's 12-month period of continued coverage began 4/16/11, her first full pay period in nonpay status. Since Xenia was in nonpay status for more than 12 months, her FEGLI coverage terminated at the end of the day on 4/15/12. Xenia got her coverage reinstated when she returned to pay and duty status on 7/17/12; however, she did not remain in pay status for at least four months. Therefore, Xenia's coverage terminated again when she returned to nonpay status 10/12/12.

Example 4

Yancey went into nonpay status 4/11/11. 4/11/11 was in the middle of a pay period, so Yancey's 12-month period of continued coverage began 4/16/11, his first full pay period in nonpay status. On 7/17/12 Yancey received donated leave and returned to pay status. Since Yancey was in nonpay status for more than 12 months, his FEGLI coverage terminated at the end of the day on 4/15/12. The donated leave Yancey received on 7/17/12 returned him to pay status; however, since he did not return to duty status, his FEGLI coverage was not reinstated.

Example 5

Yvette was a permanent employee with FEGLI who transferred to a temporary position with no break in service, so she was able to continue her FEGLI coverage. She went into nonpay status 4/11/11 and returned to pay and duty status 7/17/12. 4/11/11 was in the middle of a pay period, so Yvette's 12-month period of continued coverage began 4/16/11, her first full pay period in nonpay status. Since Yvette was in nonpay status for more than 12 months, her FEGLI coverage terminated at the end of the day on 4/15/12. Although Yvette returned to pay and duty status on

7/17/12, she did not return to a FEGLI eligible position. Therefore, her FEGLI coverage was not reinstated.

In the examples above, the agency will complete a SF 2821 and an SF 2819 **whenever FEGLI coverage terminates**. This means there could be occasions where multiple forms are completed for distinct periods of covered and terminated coverage.

Temporary Appointments

If you are entitled to 12 months of insurance while in nonpay status and accept a temporary appointment to a position in which you would normally be excluded from insurance, your insurance continues for the remainder of the 12-month period. Your BIA is based on your higher salaried position. Withholdings are made from your pay in the temporary position.

When you have completed 12 months of nonpay status from the position that entitled you to life insurance coverage, your FEGLI coverage terminates even if, by mistake, premiums continued to be withheld from your pay in the temporary position. You will get the 31-day extension of coverage and right to convert. You cannot continue FEGLI in the temporary position.

Example

Zeke was a permanent full-time employee with a salary of \$58,412. He went into nonpay status 2/16/12. Since 2/16/12 was in the middle of a pay period, Zeke's 12-month period of continued coverage began 2/19/12. His FEGLI continued at no cost to him. On 7/24/12 Zeke began a temporary position with another agency; the salary in the temporary position was \$38,770. His FEGLI continued, with his BIA (and any Option B coverage) based on the higher salary from his full-time permanent position. However, the coverage was no longer free; the premiums were withheld from his salary in the temporary position; that agency pays the Government contribution for Basic insurance. When Zeke completes 12 months in nonpay status at the end of the day on 2/18/12 from the position that gave him FEGLI eligibility, his FEGLI coverage will terminate. He cannot continue FEGLI in the temporary position.

Special Nonpay Situations

Employees in one of the following special nonpay situations may elect to continue their FEGLI coverage for the duration of their appointment. If you make such an election, your coverage will continue, even if you remain in nonpay status for more than 12 months. You must pay the premiums applicable to your special nonpay situation from the beginning of your nonpay status. You do not get 12 months of free coverage.

If you are in one of the special nonpay situations listed below, and you do *not* elect to continue your coverage, you will get 12 months of free coverage. Your coverage will terminate at the end of the 12-month period, the same as for any other employee in nonpay status.

Appointments to Employee Organizations

If you go into nonpay status to serve as a full-time officer or employee of an employee organization, within 60 days of the start of the nonpay status you may elect in writing to continue life insurance for the duration of your appointment.

You must pay to your employing agency of record the full cost of Basic and Optional insurance. There is no Government contribution. You must pay your premiums to your employing agency before, during, or within three months after the end of each pay period in a manner designated by your employing agency.

Failure to pay your premiums within this time frame will result in termination of your coverage, subject to the 31-day extension of coverage and conversion privilege. Coverage cannot be reinstated until you return to pay and duty status in a FEGLI eligible position in Federal service. *Exception:* Your coverage will be restored retroactively if your Federal employing agency finds that you were unable to make the premium payments for reasons beyond your control and you make the payments at the first opportunity.

Appointments to State Governments, Local Governments, Indian Tribal Organizations, or Institutions of Higher Education

If you go into nonpay status while assigned to a State or local government, Indian tribal organization, or institution of higher education, you may elect in writing to continue your life insurance for the length of your assignment.

You must pay your premiums to your employing agency of record before, during, or within three months after the end of each pay period. Your Federal employing agency must continue to pay the Government contribution for Basic insurance as long as you make your payments.

Failure to pay your premiums within this time frame will result in termination of your coverage, subject to the 31-day extension of coverage and conversion privilege. Coverage cannot be reinstated until you return to pay and duty status in a FEGLI eligible position in Federal service. *Exception:* Your coverage will be restored retroactively if your Federal employing agency finds that you were unable to make the premium payments for reasons beyond your control and you make the payments at the first opportunity.

Transfer to International Organizations

If you are transferred to an international organization as provided in 5 U.S.C. 3582, you may elect in writing to continue life insurance coverage for the duration of your appointment.

You must pay your premiums to your Federal employing agency before, during, or within three months after the end of each pay period. Your employing agency must continue to pay the Government contribution for Basic insurance as long as you make your payments.

Failure to pay your premiums within this time frame will result in termination of your coverage, subject to the 31-day extension of coverage and conversion privilege. Coverage cannot be reinstated until you return to pay and duty status in a FEGLI eligible position in Federal service. *Exception:* Your coverage will be restored retroactively if your Federal employing agency finds that you were unable to make the premium payments for reasons beyond your control and you make the payments at the first opportunity.

Regulations governing transfers to international organizations are in [5 C.F.R. Part 352](#).

Military Reservists Called to Active Duty

Public Law 110-181, the Department of Homeland Security Appropriations Act, was enacted January 28, 2008. Section 1102 of the Act authorizes the continuation of FEGLI coverage for up to 24 months for Federal employees called to active duty.

The new law allows employees who enter on active duty, or active duty for training in one of the uniformed services for more than 30 days, to continue their FEGLI enrollment for an additional 12 months, for a total of up to 24 months. However, employees must pay both the employee and agency share of premiums for their Basic coverage, and pay the entire cost (there is no agency share) for any Optional insurance for the additional 12 months of coverage.