

FEDERAL EMPLOYEE BENEFITS

FEGLI: FEDERAL EMPLOYEE GROUP LIFE INSURANCE

Federal Employee Group Life Insurance provides a life insurance policy to federal employees and their families as a Group Benefit. FEGLI does not require an examination, and premiums are collected bi-weekly from payroll deduction (note: premiums can increase *dramatically* over time depending on the FEGLI option selected at time of initial hiring or during open enrollment).

Basic Option:

- adjusts annually when your salary changes
- provide a tax free single payment to your beneficiary choice
- appears on your LES under your deduction section as "FEGLI"

Options A, B & C:

- provide individuals with options that augment their own existing life insurance policy
- **Option A:** provides up to \$10,000 coverage
- **Option B:** provides up to 5X individual salary (note: once you reduce or eliminate this option, the insurance company keeps 100% of the premium you have paid into the program)
- **Option C:** Family Insurance that provides up to 5 units for spouse and children, similar to Option B as it increases dramatically and premiums are forfeited when cancelled

Federal Employee Testimonial

John worked for 10 ½ years and was part of a group insurance policy offering 5X salary option. When John left his job for better opportunities he found out he could not continue his life insurance coverage. After starting a new job, John's employer didn't offer ANY life insurance, and John found that when he went and shopped for similar coverage the cost was based on his age and current health. Since John was now 10+ years older and not as in good physical condition as when he originally applied for group coverage, the costs were quite high in comparison. John wished he had personal coverage outside from the beginning.

FEGLI BASIC

The Basic offers federal employees annual salary rounded up + \$2,000.

Basic While Employed: Example

Salary: \$57,800 (round up to nearest thousand)

\$58,000

+ \$2,000 (Featured Benefit)

\$60,000

$\$60,000 \times \$0.15 = \mathbf{\$9.00 \text{ biweekly}}$

*\$.15 per thousand is level until age 65

At retirement though there are FOUR options from which you will select that will either **increase** OR **decrease** the premium.

Option 1: Cancel the coverage

Option 1: No Reduction in coverage level- This will

Option 2: 50% Reduction to coverage level- T

Optoin4: 75% Reduction to coverage level-

FEGLI OPTION A

Also referred to as FEGLI Standard Option, Option A offers \$10,000, and may continue into retirement *if*

- individual continues to meet basic coverage requirements,
- premiums paid until age 65
- NO cost after age 65; however, REDUCES by 2% per month until \$2,500 left

COST

Under Age 35	\$.30 Bi-weekly
Age 35-39	\$.40 Bi-weekly
Age 40-44	\$.60 Bi-weekly
Age 45-49	\$.90 Bi-weekly
Age 50-54	\$ 1.40 Bi-weekly
Age 55-59	\$ 2.70 Bi-weekly
Age 60+	\$ 6.00 Bi-weekly

FEGLI OPTION B

With this option, once an employee reaches retirement he/she can decide whether or not to keep OR reduce coverage. FEGLI Option B offers 1, 2, 3, 4, 5 X salary rounded up to the next thousand.

Note: Federal Employee Benefits has a special program which doesn't require a physical exam. Individuals may still qualify for up to \$250,000 coverage. contact us for more details.

Example: 5X Salary while employed W/O COLA increases.

Salary: **\$81,500** (round up to nearest thousand) = **82,000**

Age 35-39 (\$82,000 X 5) = \$410,000 X \$.00004 = \$16.40 Biweekly or \$35.53 Monthly
Age 40-44 (\$82,000 X 5) = \$410,000 X \$.00006 = \$24.60 Biweekly or \$53.30 Monthly
Age 45-49 (\$82,000 X 5) = \$410,000 X \$.00009 = \$36.90 Biweekly or \$79.95 Monthly
Age 50-54 (\$82,000 X 5) = \$410,000 X \$.00014 = \$57.40 Biweekly or \$124.36 Monthly
Age 55-59 (\$82,000 X 5) = \$410,000 X \$.00028 = \$114.8 Biweekly or \$248.73 Monthly
Age 60-64 (\$82,000 X 5) = \$410,000 X \$.00060 = \$246.00 Biweekly or \$533.00 Monthly
Age 65-69 (\$82,000 X 5) = \$410,000 X \$.00072 = \$295.20 Biweekly or \$639.60 Monthly
Age 70-74 (\$82,000 X 5) = \$410,000 X \$.00120 = \$492.00 Biweekly or \$1,066.00 Monthly
Age 75-79 (\$82,000 X 5) = \$410,000 X \$.00180 = \$738.00 Biweekly or \$1,599.00 Monthly
Age 80+ (\$82,000 X 5) = \$410,000 X \$.00240 = \$984.00 Biweekly or \$2,132 Monthly

*note: if the employee chooses to *keep* current coverage level at retirement, premiums will increase every 5 years as shown in the table above. You are encouraged to shop for life insurance outside before the costs get too expensive.

Individuals opting for the reduction phase at retirement should know:

- premium may increase every 5 years until age 65, at which time the premium will be discontinued
- coverage begins to decrease by a rate of 2% per month until no coverage is left

FEGLI OPTION C - (FAMILY)

This option offers family coverage to federal employees covered under FEGLI Basic. Option C provides up to 5 Units, or \$5,000 for a spouse, and up to 5 units, or \$2,500, for each child. Note: coverage for a child is considered an unmarried dependent under the age of 22.

FEGLI Option C: Example

3 Units, or \$15,000 coverage for Spouse,
\$7,500 coverage for Children

Age 35-39	3 units X \$.34 = \$1.20 Biweekly
Age 40-44	3 units X \$.46 = \$1.38 Biweekly
Age 45-49	3 units X \$.60 = \$1.80 Biweekly
Age 50-54	3 units X \$.90 = \$2.70 Biweekly
Age 55-59	3 units X \$1.45 = \$4.35 Biweekly
Age 60-64	3 units X \$2.60 = \$7.80 Biweekly

Did you know? If you are currently single, still paying Option C premiums and your children are no longer eligible, you can request a refund of the premium. Contact us for more information.

**SCHEDULE YOUR OWN CONFIDENTIAL MEETING
TO RECEIVE YOUR COMPLIMENTARY
FEDERAL BENEFIT ANALYSIS**



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