

cancel their existing waivers of coverage by affirmatively electing to be insured on a form designated by OPM.

(2) An employing office may make a determination, within 6 months after the May 22, 1995, through July 21, 1995, Open Season, that an employee was unable, for cause beyond his/her control, to cancel his/her then existing waiver of coverage by affirmatively electing to be insured during the 1995 Open Season. The employee will be permitted to submit an affirmative election of coverage within 31 days after he/she is advised of that determination. Basic life insurance coverage in that case is retroactive to the 1st day of the first pay period beginning on or after July 21, 1995.

4. In § 870.301, paragraph (c) is added to read as follows:

**§ 870.301 Basic insurance amount (BIA).**

\* \* \* \* \*

(c) The post-election BIA of an employee who elected a partial Living Benefit is the BIA as of the date OFEGLI received the completed Living Benefit application reduced by the percentage which the partial lump-sum payment represents of the pre-election BIA multiplied by the age factor as stated in § 870.301(b) (rounded up or down to the nearest multiple of \$1,000 or, if midway between multiples, to the next higher multiple of \$1,000). The post-election BIA will not change after the effective date of the partial Living Benefit election. For purposes of computing the payment of benefits upon the death of the insured individual who elected a partial Living Benefit, the BIA will be multiplied by the age factor in effect as of the date OFEGLI received the completed Living Benefit application.

5. Section 870.402 is added to read as follows:

**§ 870.402 Withholdings and contributions following a Living Benefits election.**

(a) The basic insurance withholding for an insured individual who has elected a total payment of basic insurance for a Living Benefit will cease the end of the pay period in which the election of Living Benefits is effective.

(b) The amount withheld for basic insurance from the pay of an insured employee who has elected a partial Living Benefit will be based on the amount of BIA remaining after the partial Living Benefit election is effective.

(c) The amount withheld for basic insurance from the annuity of an annuitant who elected a partial Living Benefit as an employee will be based on the amount of BIA remaining after the

partial Living Benefit election is effective.

(d) The amount withheld for basic insurance from the compensation of a compensationner who elected a partial Living Benefit as an employee will be based on the amount of BIA remaining after the partial Living Benefit election is effective.

6. In § 870.501, paragraph (a) is revised to read as follows:

**§ 870.501 Termination and conversion of insurance coverage.**

(a) Except as provided in §§ 870.601 and 870.701, the basic insurance of an insured employee stops on the date of his/her separation from the service, subject to a 31-day extension of basic life insurance coverage, or on the effective date of a full Living Benefits election.

\* \* \* \* \*

7. In § 870.601, paragraphs (c) introductory text and (c)(4) are revised to read as follows:

**§ 870.601 Eligibility for life insurance.**

\* \* \* \* \*

(c) An individual who makes an election under paragraph (b) of this section must select one of the following options, except that those individuals who have elected a partial Living Benefit must select the option under paragraphs (c)(1) or (c)(4) of this section:

\* \* \* \* \*

(4) Continuation or reinstatement of basic life insurance coverage with no reduction after age 65, and with continuous premiums withheld from annuity. An insured individual may cancel an election under paragraphs (c)(3) or (c)(4) of this section at any time, except for those individuals who have elected a partial Living Benefit as an employee. An insured individual who has elected a partial Living Benefit may only cancel an election under paragraph (c)(4) of this section if he/she is electing to terminate the insurance under paragraph (c)(1) of this section.

\* \* \* \* \*

8. In § 870.602 the current paragraph is redesignated as paragraph (a) and paragraph (b) is added to read as follows:

**§ 870.602 Amount of life insurance.**

\* \* \* \* \*

(b) The post-election BIA of an annuitant who elected a partial Living Benefit as an employee is the BIA as of the date OFEGLI received the completed Living Benefit application reduced by the percentage which the partial lump-sum payment represents of the pre-election BIA multiplied by the age factor as stated in § 870.301(b) (rounded up or

down to the nearest multiple of \$1,000 or, if midway between multiples, to the next higher multiple of \$1,000). For the purpose of computing the payment of benefits upon the death of an insured annuitant who elected a partial Living Benefit as an employee, the BIA will be multiplied by the age factor in effect as of the date OFEGLI received the completed Living Benefit application.

9. In § 870.701, paragraphs (c) introductory text and (c)(4) are revised to read as follows:

**§ 870.701 Eligibility for life insurance.**

\* \* \* \* \*

(c) An individual who makes an election under paragraph (b) of this section must select one of the following options, except that those individuals who have elected a partial Living Benefit must select the option under paragraphs (c)(1) or (c)(4) of this section:

\* \* \* \* \*

(4) Continuation or reinstatement of basic life insurance coverage with no reduction after age 65, and with continuous premiums withheld from compensation. An insured individual may cancel an election under paragraphs (c)(3) or (c)(4) of this section at any time, except for those individuals who have elected a partial Living Benefit as an employee. An insured individual who has elected a partial Living Benefit may only cancel an election under paragraph (c)(4) of this section if he/she is electing to terminate the insurance under paragraph (c)(1) of this section.

\* \* \* \* \*

10. In § 870.702 the current paragraph is redesignated as paragraph (a) and paragraph (b) is added to read as follows:

**§ 870.702 Amount of life insurance.**

\* \* \* \* \*

(b) The post-election BIA of a compensationner who elected a partial Living Benefit as an employee is the BIA as of the date OFEGLI received the completed Living Benefit application reduced by the percentage which the partial lump-sum payment represents of the pre-election BIA multiplied by the age factor as stated in § 870.301(b) (rounded up or down to the nearest multiple of \$1,000 or, if midway between multiples, to the next higher multiple of \$1,000). For the purpose of computing the payment of benefits upon the death of an insured compensationner who elected a partial Living Benefit as an employee, the BIA will be multiplied by the age factor in effect as of the date OFEGLI received the completed Living Benefit application.