

she is not eligible for life insurance coverage. The employee then has a 31-day temporary extension of coverage during which he or she can convert to an individual policy. If the employee has assigned ownership of the insurance, the assignee, not the employee, has the right to convert the insurance to an individual policy on the employee's life. When there are multiple assignees, each assignee can independently convert his or her share of the total insurance amount.

The assignment itself terminates 31 days after the insurance terminates unless the employee returns to a position in which the life insurance resumes before the 31-day period expires. If the employee returns to such a position after the 31-day period, the assignment does not resume. To assign ownership of the life insurance acquired with the new employment, the employee must again execute an assignment form.

In the FEGLI Program, when an annuitant is reemployed in the Federal service in a position in which he or she continues to receive the annuity and is eligible for life insurance coverage, any basic life insurance, standard optional insurance, and family optional insurance the person has as an annuitant is suspended and the person becomes covered as an employee. The additional optional insurance the person has as an annuitant remains in force unless the person chooses to have the coverage as an employee instead. The interim regulations provide that a reemployed annuitant who had previously assigned ownership of his or her life insurance retains the right to make the election concerning the additional optional insurance; however, all insurance the person has, whether as an annuitant or as an employee, is subject to the existing assignment.

Waiver of Notice of Proposed Rulemaking

Pursuant to section 553(b)(3)(B) of title 5 of the U.S. Code, I find that good cause exists for waiving the general notice of rulemaking because these regulations implement Section 4 of Public Law 103-336, which was effective October 3, 1994. Employees and employing offices need to have these regulations in place as soon as possible. Therefore, it is in the public interest not to issue proposed regulations.

Regulatory Flexibility Act

I certify that these regulations will not have a significant economic impact on a substantial number of small entities because they primarily affect Federal

employees, annuitants, and compensationers.

List of Subjects

5 CFR Part 870

Administrative practice and procedure, Government employees, Hostages, Iraq, Kuwait, Lebanon, Life insurance, Retirement.

5 CFR Parts 871 and 872

Administrative practice and procedure, Government employees, Life insurance, Retirement.

5 CFR Part 874

Government employees, Life insurance, Retirement.

Office of Personnel Management.

James B. King,

Director.

Accordingly, OPM is amending 5 CFR parts 870, 871, 872, and 874 as follows:

PART 870—BASIC LIFE INSURANCE

1. The authority citation for part 870 continues to read as follows:

Authority: 5 U.S.C. 8716; § 870.202(c) also issued under 5 U.S.C. 7701(b)(2); subpart J also issued under sec. 599C of Pub. L. 101-513, 104 Stat. 2064, as amended.

2. In § 870.601, paragraph (g) is added to read as follows:

§ 870.601 Eligibility for life insurance.

* * * * *

(g) Judges retiring under 28 U.S.C. 371 (a) and (b), 28 U.S.C. 372(a), and 26 U.S.C. 7447 are considered employees under the Federal Employees' Group Life Insurance law. Insurance for these judges continues without interruption or diminution upon retirement.

3. In § 870.701, paragraph (e) is added to read as follows:

§ 870.701 Eligibility for life insurance.

* * * * *

(e) Judges retiring under 28 U.S.C. 371 (a) and (b), 28 U.S.C. 372(a), and 26 U.S.C. 7447 are considered employees under the Federal Employees' Group Life Insurance law. Insurance for these judges continues without interruption or diminution upon retirement. The amount of basic insurance for a judge who elects to receive compensation in lieu of annuity is computed in accordance with § 870.702 of this part.

4. In § 870.801, paragraph (a) is revised to read as follows:

§ 870.801 Assignments.

(a) An insured individual may irrevocably assign ownership of his or her life insurance coverage to one or more individuals, corporations, or

trustees. Part 874 of this chapter describes how an insured individual may assign all incidents of ownership (except family optional insurance and accidental dismemberment insurance) to another person, corporation, or trustee. Part 874 also describes the effects of such assignment, procedures for making an assignment, and related matters.

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PART 871—STANDARD OPTIONAL LIFE INSURANCE

1. The authority citation for part 871 continues to read as follows:

Authority: 5 U.S.C. 8716.

2. Section 871.701 is revised to read as follows:

§ 871.701 Assignments.

An insured individual may irrevocably assign ownership of his or her life insurance coverage to one or more individuals, corporations, or trustees. Part 874 of this chapter describes how an insured individual may assign all incidents of ownership (except family optional insurance and accidental dismemberment insurance) to another person, corporation, or trustee. Part 874 also describes the effects of such assignment, procedures for making an assignment, and related matters.

PART 872—ADDITIONAL OPTIONAL LIFE INSURANCE

1. The authority citation for part 872 continues to read as follows:

Authority: 5 U.S.C. 8716.

2. Section § 872.701 is revised to read as follows:

§ 872.701 Assignments.

An insured individual may irrevocably assign ownership of his or her life insurance coverage to one or more individuals, corporations, or trustees. Part 874 of this chapter describes how an insured individual may assign all incidents of ownership (except family optional insurance and accidental dismemberment insurance) to another person, corporation, or trustee. Part 874 also describes the effects of such assignment, procedures for making an assignment, and related matters.

PART 874—ASSIGNMENT OF LIFE INSURANCE

Part 874 is revised to read as follows:

Subpart A—Definitions of Terms

Sec.

874.101 Definitions.