

E-Mail ALSPO D/10

Subj: FSGLI PREMIUM RATE CHANGE

Ref: (a) [Personnel and Pay Procedures Manual, PPCINST M1000.2\(series\)](#), Sec 5.A
(b) [Pay & Personnel Center Servicing Personnel Office Online Manual, Part III](#), Chap 4.

Introduction Premium rates for Family SGLI (FSGLI) are changing effective 1 July 2010. This E-Mail ALSPO message transmits the new rates and restates policies and procedures, from references (a) and (b) for FSGLI enrollment and coverage elections. No SPO action is necessary in connection with the rate change.

FSGLI Rates Spousal premiums will be reduced effective 1 July 2010. Spousal premiums are based on the age of the member's spouse and the amount of coverage.

All age brackets will see a decrease in Family SGLI Premiums as follows:

| Age Group | Current Rates (per \$1,000 of insurance) | Revised Rates (per \$1,000 of insurance) | Revised Rates for \$100,000 of Coverage |
|-----------|--|--|---|
| Under 35 | .055 | .05 | \$5.00 |
| 35 - 39 | .07 | .065 | \$6.50 |
| 40 - 44 | .09 | .085 | \$8.50 |
| 45 - 49 | .14 | .13 | \$13.00 |
| 50 - 54 | .27 | .25 | \$25.00 |
| 55 - 59 | .40 | .37 | \$37.00 |
| 60 & up | .52 | .50 | \$50.00 |

Members will see a change in the deduction from their pay in the mid-month July 2010 payday (15 July 2010). Reservists drilling for points only or not receiving pay for other reasons will need to account for the reduced FSGLI premiums in their payments [made in accordance with section 5-A (Payment of SGLI Premiums) of reference (a)] beginning in July 2010.

FSGLI premium rates for coverage at each level are shown in the table on the next page.

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FSGLI Rates (continued)

New Spousal Premium Rates (Effective 1 July 2010)

| Amount of Insurance | Age of Spouse | | | | | | |
|---------------------|-------------------|-----------------|-----------------|----------------|----------------|----------------|--------------------|
| | Under 35 (.05) | 35-39 (.065) | 40-44 (.085) | 45-49 (.13) | 50-54 (.25) | 55-59 (.37) | 60 & Over (.50) |
| \$100,000 | \$5.00 | \$6.50 | \$8.50 | \$13.00 | \$25.00 | \$37.00 | \$50.00 |
| \$90,000 | \$4.50 | \$5.85 | \$7.65 | \$11.70 | \$22.50 | \$33.30 | \$45.00 |
| \$80,000 | \$4.00 | \$5.20 | \$6.80 | \$10.40 | \$20.00 | \$29.60 | \$40.00 |
| \$70,000 | \$3.50 | \$4.55 | \$5.95 | \$9.10 | \$17.50 | \$25.90 | \$35.00 |
| \$60,000 | \$3.00 | \$3.90 | \$5.10 | \$7.80 | \$15.00 | \$22.20 | \$30.00 |
| \$50,000 | \$2.50 | \$3.25 | \$4.25 | \$6.50 | \$12.50 | \$18.50 | \$25.00 |
| \$40,000 | \$2.00 | \$2.60 | \$3.40 | \$5.20 | \$10.00 | \$14.80 | \$20.00 |
| \$30,000 | \$1.50 | \$1.95 | \$2.55 | \$3.90 | \$7.50 | \$11.10 | \$15.00 |
| \$20,000 | \$1.00 | \$1.30 | \$1.70 | \$2.60 | \$5.00 | \$7.40 | \$10.00 |
| \$10,000 | \$0.50 | \$0.65 | \$0.85 | \$1.30 | \$2.50 | \$3.70 | \$5.00 |

FSGLI Election and Certificate (SGLV-8286A) Required for Married Members

All married members who are enrolled in SGLI are automatically covered by FSGLI. This includes members who are married to other service members. **Every married member shall have an [SGLV-8286A](#) in their PDR** (even those members who have declined SGLI coverage) and SPOs must enter the member's FSGLI election data in Direct Access; (however, if a member has declined SGLI coverage then no declination of FSGLI coverage can be recorded in DA). **SPOs must verify that the appropriate premium deduction appears on the member's LES/DA View Paycheck page.**

Verifying the Spouse's Date of Birth in DA

Premiums for FSGLI are based on the coverage amount AND the spouse's age. Therefore, SPOs must verify the spouse's date of birth and ensure it is correctly recorded in Direct Access before inputting a transaction to start FSGLI premium deduction.

Follow these steps to view the spouse's date of birth in DA:

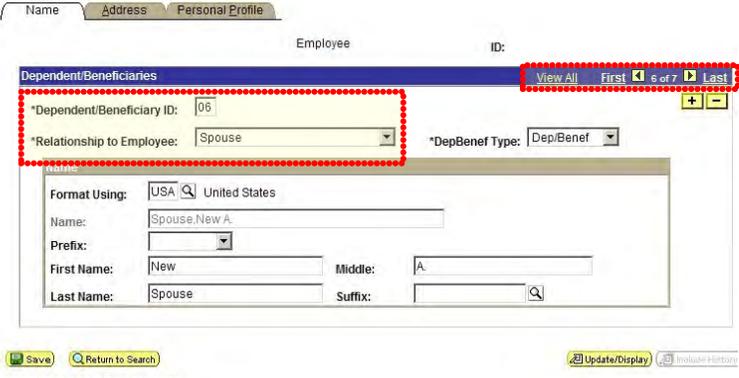
| Step | Action |
|------|---|
| 1 | Select menu items in the following order: Compensate Employees > Administer Base Benefits > Use Dependent/Beneficiary |

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Verifying the Spouse's Date of Birth in DA (continued)

| Step | Action |
|------|--|
| 2 | Enter the member's employee ID number and click the search button. |
| 3 | <p>The Dependent/Beneficiary Name tab will be displayed.</p>  <p>Click on the <i>View All</i> link, <i>Next Arrow</i> button, or the <i>Last</i> link if necessary to locate the row for the member's spouse.</p> |
| 4 | <p>Click the Personal Profile tab:</p>  <p>Ensure the correct date of birth is reflected in the Birthdate field. The date of birth should be the same as the date listed in the Spouse's Information section of the Family Coverage Election form (SGLV 8286A) submitted by the member. If the date is not the same, contact the member for verification. If the date on the SGLV-8286A is incorrect, the member must submit a new election.</p> |

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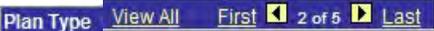
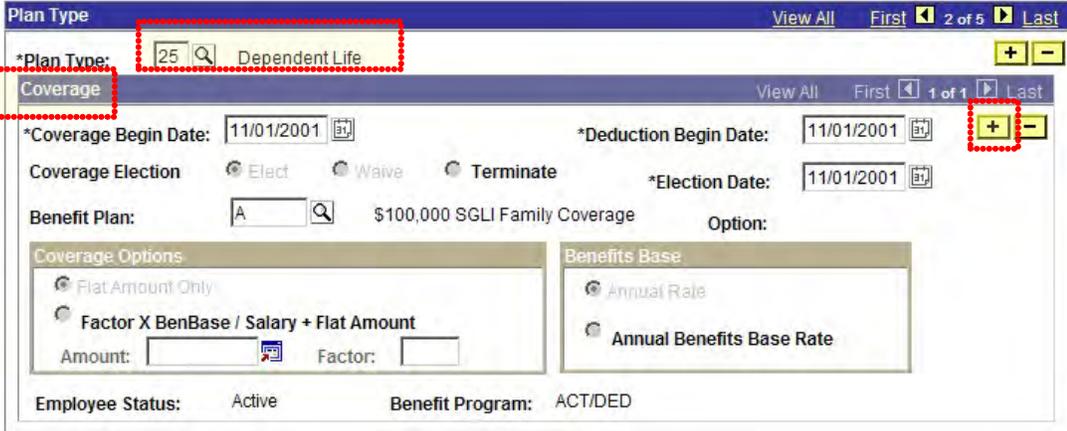
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Verifying the Spouse's Date of Birth in DA (continued)

| Step | Action |
|------|---|
| 5 | If correcting the Birthdate field or any other dependent/beneficiary data, click the save button. |

Entering an FSGLI Election Transaction Follow these steps to enter a new FSGLI election transaction.

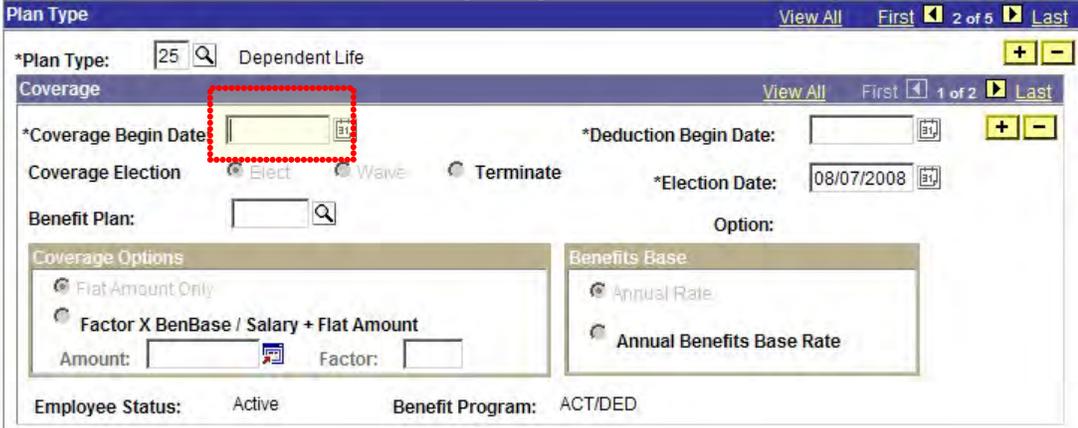
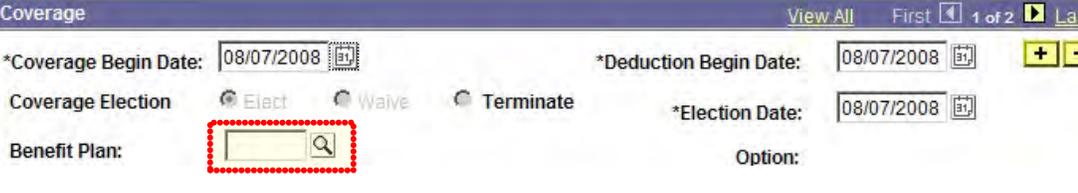
| Step | Action |
|------|--|
| 1 | Select menu items in the following order: Compensate Employees > Administer Base Benefits > Life and AD/D Benefits |
| 2 | Use the row navigation buttons/links to go to the <i>Plan Type 25-Dependent Life</i> row  |
| 3 | Insert a new row in the Coverage section of the <i>Plan Type 25-Dependent Life</i> election  |

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Entering an FSGLI Election Transaction (continued)

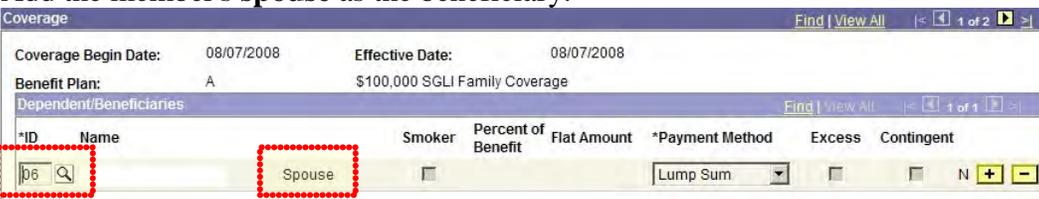
| Step | Action | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------|--|----------------------|--|---|-------------------------|---|-------------------------------|---|-------------------------------|---|-------------------------------|---|-------------------------------|---|-------------------------------|---|-------------------------------|---|-------------------------------|---|-------------------------------|---|-------------------------------|---|--------------------------------|
| 4 | <p>Enter the current date in the Coverage Begin Date field.</p>  | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | <p>Enter the Benefit Plan code for the coverage amount the member elected on SGLV-8286A:</p> <table border="0" data-bbox="609 1094 1096 1459"> <tr> <td>Code/Coverage Option</td> <td></td> </tr> <tr> <td>0</td> <td>Zero Option Family SGLI</td> </tr> <tr> <td>1</td> <td>\$10,000 Family SGLI Coverage</td> </tr> <tr> <td>2</td> <td>\$20,000 SGLI Family Coverage</td> </tr> <tr> <td>3</td> <td>\$30,000 SGLI Family Coverage</td> </tr> <tr> <td>4</td> <td>\$40,000 SGLI Family Coverage</td> </tr> <tr> <td>5</td> <td>\$50,000 SGLI Family Coverage</td> </tr> <tr> <td>6</td> <td>\$60,000 SGLI Family Coverage</td> </tr> <tr> <td>7</td> <td>\$70,000 SGLI Family Coverage</td> </tr> <tr> <td>8</td> <td>\$80,000 SGLI Family Coverage</td> </tr> <tr> <td>9</td> <td>\$90,000 SGLI Family Coverage</td> </tr> <tr> <td>A</td> <td>\$100,000 SGLI Family Coverage</td> </tr> </table>  | Code/Coverage Option | | 0 | Zero Option Family SGLI | 1 | \$10,000 Family SGLI Coverage | 2 | \$20,000 SGLI Family Coverage | 3 | \$30,000 SGLI Family Coverage | 4 | \$40,000 SGLI Family Coverage | 5 | \$50,000 SGLI Family Coverage | 6 | \$60,000 SGLI Family Coverage | 7 | \$70,000 SGLI Family Coverage | 8 | \$80,000 SGLI Family Coverage | 9 | \$90,000 SGLI Family Coverage | A | \$100,000 SGLI Family Coverage |
| Code/Coverage Option | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0 | Zero Option Family SGLI | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | \$10,000 Family SGLI Coverage | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | \$20,000 SGLI Family Coverage | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | \$30,000 SGLI Family Coverage | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | \$40,000 SGLI Family Coverage | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | \$50,000 SGLI Family Coverage | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | \$60,000 SGLI Family Coverage | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | \$70,000 SGLI Family Coverage | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | \$80,000 SGLI Family Coverage | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | \$90,000 SGLI Family Coverage | | | | | | | | | | | | | | | | | | | | | | | | |
| A | \$100,000 SGLI Family Coverage | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Click the Beneficiaries tab. | | | | | | | | | | | | | | | | | | | | | | | | |

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Entering an FSGLI Election Transaction (continued)

| Step | Action |
|------|--|
| 7 | <p>Add the member's spouse as the beneficiary.</p>  |
| 8 | Click Save. This will create a new transaction for JUMPS processing. |

Other FSGLI Issues

Previous ALCOASTs and ALSPOs have clearly stated member and SPO responsibilities for accurate and timely submission of elections and transactions. The FSGLI program/benefit has been in place since 2001 (P.L. 107-14); however, it appears some key administrative responsibilities are frequently overlooked:

- (1) Enlistments/Appointments. When a member enlists or is appointed in the Coast Guard or Coast Guard Reserve and the member has a spouse, the SPO shall notify the member that the spouse is automatically insured at the maximum \$100,000 level unless the member desires to decline or reduce coverage. The SPO shall input a transaction into DA to record the member's decision (maximum, reduced, or declined).
- (2) Marriage. When a member marries, the SPO shall notify the member that the spouse is automatically insured at the maximum \$100,000 level unless the member desires to decline or reduce coverage. The SPO shall input a transaction into DA to record the member's decision (maximum, reduced, or declined).

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**Other FSGLI
Issues**
(continued)

- (3) Divorce, annulment or death of spouse. When a member has a change in dependency, due to divorce, annulment or death of spouse, the SPO shall input a transaction into DA to stop the member's FSGLI coverage for the spouse (See the Divorce, Annulment or Death of Spouse topic in [reference \(b\)](#)). There is no provision in the law for FSGLI to cover an ex-spouse. FSGLI specifically applies only to a current spouse, not to an ex-spouse. A divorced member's e-LES/DA View Paycheck page absolutely should not show "SGLI/FAMILY." The member may be able to get a commercial life insurance policy to cover the ex-spouse, but cannot use FSGLI for this purpose.
- (4) Birth/Adoption of child. When a member's child(ren) dependent status changes, the SPO shall update DA to record the dependency change. FSGLI provides \$10,000 insurance for children as long as the member has any amount of SGLI greater than zero. FSGLI coverage is cost free for children.
- (5) Effective 18 November 2009, the law expanded the SGLI program to include a member's "stillborn child" as an insurable dependent. SGLI dependent coverage provides for a \$10,000 payment to the insured service member upon the death of the member's dependent child. Prior to the passage of the law, a member's "stillborn child" was not covered by SGLI. This change applies only for stillbirths on or after 10 October 2008.
- (6) Reinstating/Increasing family coverage. Members who have declined or reduced FSGLI coverage can later apply for or increase coverage by completing form [SGLV-8285A](#) and providing proof of insurability (proof of good health). Form SGLV-8285A must be retained in the SPO PDR and a copy must be sent to CG PSC (psd-mr) for the Electronically Imaged PDR. Form SGLV-8285A is NOT to be purged from the SPO PDR when a new form SGLV-8285, SGLV-8286 or SGLV-8286A is received.

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**Other FSGLI
Issues**
(continued)

(7) Spousal notification. Units must notify the member's spouse by letter when the member declines SGLI or FSGLI coverage. This letter informs the spouse that they have 120 days from the date the coverage is terminated to convert FSGLI to commercial coverage. A recommended format for the spousal notification letter can be found in reference (a). A copy of the notification letter must be filed in the SPO PDR and attached to:

- member's form SGLV-8286 (if member declined or reduced SGLI coverage),
 - or form SGLV-8285 (if member declined FSGLI coverage).
-

**Reservists
recalled to
active duty**

All Reservists recalled to active duty are automatically insured under SGLI for \$400,000, under traumatic SGLI (TSGLI) for up to \$100,000 for a scheduled, dismemberment-type loss, and, if married, under Family SGLI (FSGLI) for up to \$100,000. Children are automatically covered under SGLI without any additional charge. Reservists must specifically decline or reduce SGLI and/or FSGLI coverage by submitting properly executed forms SGLV-8286 (SGLI) and/or SGLV-8285a (FSGLI) to their SPO, even if they have previously opted to decline or reduce such coverage in reserve status. Reservists electing reduced or no coverage must complete the required forms within 60 days of reporting for duty.

- (1) Upon RELAD from involuntary active duty, Reservists transitioning to SELRES will automatically be re-enrolled at full SGLI/FSGLI coverage and must complete another form SGLV-8286 and/or SGLV-8285a to decline or reduce their coverage.
 - (2) Upon RELAD from involuntary active duty, Reservists transitioning to the IRR, without scheduled training, will no longer be eligible for SGLI/FSGLI, but will retain 120 days of coverage following RELAD providing they do not decline coverage during or after their active duty period.
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**Reservists
recalled to
active duty
(continued)**

- (3) Reservists electing to decline or reduce coverage must do so within 60 days of commencement of eligibility. Members may complete the form after the end of the involuntary active duty period, but not more than 60 days after the active duty eligibility period started. Reservists who transition from active duty to SELRES, may complete one form (within the same time frame) to cover both periods.
- (4) Retroactive requests to decline or reduce SGLI/FSGLI coverage and subsequent refund of premiums within the 60 day limit will not be approved except under extremely unusual circumstances. This does not include SPO errors; members must follow-up requests for declined or reduced coverage to ensure timely processing.
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Questions

A list of frequently asked questions about FSGLI can be found at the Department of Veterans' Affairs web site at:

<http://www.insurance.va.gov/sgliSite/FSGLI/sglifamFAQ.htm>

Questions regarding the content of this e-mail ALSPO message may be directed to PPC Customer Care at:



(866) 772-8724/(785) 339-2200



<http://www.uscg.mil/ppc/ccb/> (Online Trouble Ticket/Inquiry Form)



PPC-DG-CustomerCare@uscg.mil (E-Mail)

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Internet release authorized.

/s/

M. P. SULLIVAN
Executive Director