

Union Calendar No. 218

105<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**H. R. 2675**

[Report No. 105-373]

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## **A BILL**

To require that the Office of Personnel Management submit proposed legislation under which group universal life insurance and group variable universal life insurance would be available under chapter 87 of title 5, United States Code, and for other purposes.

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NOVEMBER 4, 1997

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 21, 1997

Mr. MICA (for himself, Mr. CUMMINGS, Mr. PAPPAS, Mrs. MORELLA, Mr. SESSIONS, Mr. FORD, and Ms. NORTON) introduced the following bill; which was referred to the Committee on Government Reform and Oversight

NOVEMBER 4, 1997

Additional sponsor: Ms. DELAURO

NOVEMBER 4, 1997

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on October 21, 1997]

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## A BILL

To require that the Office of Personnel Management submit proposed legislation under which group universal life insurance and group variable universal life insurance would

be available under chapter 87 of title 5, United States Code, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Federal Employees Life*  
5 *Insurance Improvement Act”.*

6 **SEC. 2. REQUIREMENT THAT A LEGISLATIVE PROPOSAL BE**  
7 **SUBMITTED.**

8 *(a) IN GENERAL.—Within 6 months after the date of*  
9 *enactment of this Act, the Office of Personnel Management*  
10 *shall submit to Congress proposed legislation under which*  
11 *there would be made available to Federal employees and*  
12 *annuitants the following:*

13 *(1) Group universal life insurance.*

14 *(2) Group variable universal life insurance.*

15 *(3) Additional voluntary accidental death and*  
16 *dismemberment insurance.*

17 *The proposal shall indicate whether any such insurance*  
18 *could be taken in addition to, in lieu of, or in combination*  
19 *with any insurance otherwise offered under chapter 87 of*  
20 *title 5, United States Code.*

21 *(b) DESCRIPTION OF POLICIES AND COSTS.—The pro-*  
22 *posed legislation shall be accompanied by a report which*  
23 *shall include a concise description of the policies proposed,*  
24 *an estimate of the cost to the Government anticipated with*

1 *respect to each of those policies, and any other information*  
2 *which the Office of Personnel Management may consider*  
3 *appropriate.*

4 **SEC. 3. UNREDUCED ADDITIONAL OPTIONAL LIFE INSUR-**  
5 **ANCE.**

6 *(a) IN GENERAL.—Section 8714b of title 5, United*  
7 *States Code, is amended—*

8 *(1) in subsection (c)—*

9 *(A) by striking the last 2 sentences of para-*  
10 *graph (2); and*

11 *(B) by adding at the end the following:*

12 *“(3) The amount of additional optional insurance con-*  
13 *tinued under paragraph (2) shall be continued, with or*  
14 *without reduction, in accordance with the employee’s writ-*  
15 *ten election at the time eligibility to continue insurance*  
16 *during retirement or receipt of compensation arises, as fol-*  
17 *lows:*

18 *“(A) The employee may elect to have*  
19 *withholdings cease in accordance with subsection (d),*  
20 *in which case—*

21 *“(i) the amount of additional optional in-*  
22 *surance continued under paragraph (2) shall be*  
23 *reduced each month by 2 percent effective at the*  
24 *beginning of the second calendar month after the*

1           *date the employee becomes 65 years of age and*  
2           *is retired or is in receipt of compensation; and*

3                   *“(i) the reduction under clause (i) shall*  
4           *continue for 50 months at which time the insur-*  
5           *ance shall stop.*

6           *“(B) The employee may, instead of the option*  
7           *under subparagraph (A), elect to have the full cost of*  
8           *additional optional insurance continue to be withheld*  
9           *from such employee’s annuity or compensation on*  
10          *and after the date such withholdings would otherwise*  
11          *cease pursuant to an election under subparagraph*  
12          *(A), in which case the amount of additional optional*  
13          *insurance continued under paragraph (2) shall not be*  
14          *reduced, subject to paragraph (4).*

15                  *“(C) An employee who does not make any elec-*  
16          *tion under the preceding provisions of this paragraph*  
17          *shall be treated as if such employee had made an elec-*  
18          *tion under subparagraph (A).*

19                  *“(4) If an employee makes an election under para-*  
20          *graph (3)(B), that individual may subsequently cancel such*  
21          *election, in which case additional optional insurance shall*  
22          *be determined as if the individual had originally made an*  
23          *election under paragraph (3)(A).”;* and

24                          *(2) in the second sentence of subsection (d)(1) by*  
25          *inserting “if insurance is continued as provided in*



1 *An employee may reduce or stop coverage elected pursuant*  
2 *to this section at any time.”.*

3 (b) *TECHNICAL AND CONFORMING AMENDMENTS.—*

4 *Section 8714c of title 5, United States Code, is amended—*

5 (1) *in subsection (c)(2) by striking “section*  
6 *8714b(c)(2) of this title” and inserting “section*  
7 *8714b(c)(2)–(4)”;* and

8 (2) *in subsection (d)(1) by inserting before the*  
9 *last sentence the following: “Notwithstanding the pre-*  
10 *ceding sentence, the full cost shall be continued after*  
11 *the calendar month in which the former employee be-*  
12 *comes 65 years of age if, and for so long as, an elec-*  
13 *tion under this section corresponding to that described*  
14 *in section 8714b(c)(3)(B) remains in effect with re-*  
15 *spect to such former employee.”.*

16 (c) *EFFECTIVE DATE; OPEN ENROLLMENT PERIOD.—*

17 (1) *EFFECTIVE DATE.—The amendments made*  
18 *by this section shall take effect on the first day of the*  
19 *first pay period which begins on or after the 180th*  
20 *day following the date of enactment of this Act or on*  
21 *any earlier date that the Office of Personnel Manage-*  
22 *ment may prescribe.*

23 (2) *OPEN ENROLLMENT PERIOD.—*

24 (A) *IN GENERAL.—Before the effective date*  
25 *under paragraph (1), the Office shall afford eli-*

1            *gible employees a reasonable opportunity to elect*  
2            *to begin coverage under section 8714c of title 5,*  
3            *United States Code (as amended by this section),*  
4            *or to increase any existing optional life insur-*  
5            *ance on family members to any amount allow-*  
6            *able under such section (as so amended), begin-*  
7            *ning on such effective date.*

8            *(B) DEFINITION OF AN ELIGIBLE EM-*  
9            *PLOYEE.—For purposes of subparagraph (A), the*  
10           *term “eligible employee” means any employee*  
11           *(within the meaning of section 8701 of title 5,*  
12           *United States Code) covered by group life insur-*  
13           *ance under section 8704(a) of such title.*