

by converting the biweekly rate to an annual rate and prorating the annual rate over the number of installments of pay regularly paid during the year.

(3) The amount withheld from the pay of an insured employee whose BIA changes during a pay period is based on the BIA in force at the end of the pay period.

(4) No payment is required while an insured employee is in nonpay status for up to 12 months.

(c) For each pay period in which an employee is insured, the employing agency must contribute an amount equal to one-half the amount withheld from the employee's pay. This agency contribution must come from the appropriation or fund that is used for the payment of the employee's pay. For an elected official, the contribution must come from the appropriation or fund that is available for payment of other salaries in the same office.

(d) (1) For an annuitant who elects to continue basic insurance and chooses the maximum reduction of 75 percent after age 65 under § 870.702(a)(2), the amount withheld monthly is \$0.3575 for each \$1,000 of the BIA. For a compensationoner who makes this election, the amount withheld weekly is \$0.0825 for each \$1,000. These withholdings stop the month after the month in which the individual reaches age 65. There are no withholdings from individuals who retired or began receiving compensation before January 1, 1990, and who elected the 75 percent reduction. For the purpose of this paragraph, an individual who separates from service after meeting the requirements for an immediate annuity under 5 U.S.C. 8412(g) is considered to retire on the day before the annuity begins.

(2) For an annuitant who elects to continue basic insurance and chooses the maximum reduction of 50 percent after age 65 under § 870.702(a)(3), the amount withheld monthly is \$0.8775 for each \$1,000 of the BIA until the annuitant reaches age 65; the amount is then reduced to \$0.52 for each \$1,000. For a compensationoner who makes this election, the amount withheld weekly is \$0.2025 for each \$1,000 of the BIA until age 65; the amount is then reduced to \$0.12 for each \$1,000.

(3) For an annuitant who elects to continue basic insurance and chooses no reduction after age 65 under § 870.702(a)(4), the amount withheld monthly is \$2.0475 for each \$1,000 of the BIA until the annuitant reaches age 65; the amount is then reduced to \$1.69 for each \$1,000. For a compensationoner who makes this election, the amount withheld weekly is \$0.4725 for each

\$1,000 of the BIA until age 65; the amount is then reduced to \$0.39 for each \$1,000.

(e) (1) For each period in which an annuitant or compensationoner is insured, OPM must contribute an amount equal to one-half the amount that would be withheld under paragraph (d)(1) of this section. Exception: For USPS employees who become annuitants or compensationoners after December 31, 1989, the Postal Service pays the Government contributions.

(2) The Government contribution is the same amount whether the individual elects a maximum 75 percent reduction, a maximum 50 percent reduction, or no reduction.

(3) The Government contribution stops the month after the month in which the individual reaches age 65.

(f) When an agency withholds less than or none of the proper amount of basic life insurance deductions from an individual's pay, annuity, or compensation, the agency must submit an amount equal to the sum of the uncollected deductions and any applicable agency contributions required under 5 U.S.C. 8708 to OPM for deposit in the Employees' Life Insurance Fund.

§ 870.402 Withholdings for optional insurance.

(a) The insured individual pays the full cost of all optional insurance. There is no Government contribution toward the cost of any optional insurance. Exception: The United States Postal Service may make a contribution toward the cost of optional insurance for USPS employees in some situations.

(b) During each pay period in any part of which an insured employee is in pay status, the employing agency must withhold the full cost of optional insurance from his/her pay.

(c) Subject to the provisions for reemployed annuitants in § 870.706(d), the full cost of optional insurance must be withheld from the annuity of an annuitant and from the compensation of a compensationoner. These withholdings stop after the end of the month in which an annuitant or compensationoner reaches age 65.

(d) (1) The biweekly cost per \$10,000 of Option A coverage is:

For persons under age 35.....	\$0.40
For persons ages 35 through 39.....	.50
For persons ages 40 through 44.....	.70
For persons ages 45 through 49.....	1.10
For persons ages 50 through 54.....	1.80
For persons ages 55 through 59.....	3.00
For persons ages 60 and over	7.00

(2) The amount withheld from pay, annuity, or compensation paid on other

than a biweekly basis must be prorated and adjusted to the nearest cent.

(e) (1) The biweekly cost per \$1,000 of Option B coverage is:

For persons under age 35.....	\$0.04
For persons ages 35 through 39.....	.05
For persons ages 40 through 44.....	.07
For persons ages 45 through 49.....	.11
For persons ages 50 through 54.....	.18
For persons ages 55 through 59.....	.30
For persons ages 60 and over70

(2) The amount withheld from pay, annuity, or compensation paid on other than a biweekly basis must be prorated and adjusted to the nearest one-tenth of 1 cent.

(f) (1) The biweekly cost of Option C coverage is based on the age of the employee, annuitant, or compensationoner. The cost is:

For persons under age 35.....	\$0.30
For persons ages 35 through 39.....	.31
For persons ages 40 through 44.....	.52
For persons ages 45 through 49.....	.70
For persons ages 50 through 54.....	1.00
For persons ages 55 through 59.....	1.50
For persons ages 60 and over	2.60

(2) The amount withheld from pay, annuity, or compensation paid on other than a biweekly basis must be prorated and adjusted to the nearest cent.

(g) For the purpose of this subpart, an individual is considered to reach age 35, 40, 45, 50, 55, or 60 on the first day of the first pay period beginning on or after the January 1 following his/her corresponding birthday.

(h) The amount withheld from the pay of an insured employee whose annual pay is paid during a period shorter than 52 workweeks is the amount obtained by converting the biweekly rate for his/her age group to an annual rate and prorating the annual rate over the number of installments of pay regularly paid during the year.

(i) When an agency withholds less than or none of the proper amount of optional life insurance deductions from an individual's pay, annuity, or compensation, the agency must submit an amount equal to the uncollected deductions required under 5 U.S.C. 8714a to OPM for deposit in the Employees' Life Insurance Fund.

§ 870.403 Withholdings and contributions provisions that apply to both basic and optional insurance.

(a) Withholdings (and Government contributions, when applicable) are based on the amount of insurance in force at the end of the pay period.

(b) Withholdings are not required for the period between the end of the pay period in which an employee separates from service and the date his/her annuity or compensation begins.