

Fifth, if none of the above, to the duly appointed executor or administrator of the estate of the employee.

Sixth, if none of the above, to other next of kin of the employee entitled under the laws of the domicile of the employee at the date of his death.

(b) If, within 1 year after the death of the employee, no claim for payment has been filed by a person entitled under the order of precedence named by subsection (a) of this section, or if payment to the person within that period is prohibited by Federal statute or regulation, payment may be made in the order of precedence as if the person had predeceased the employee, and the payment bars recovery by any other person.

(c) If, within 2 years after the death of the employee, no claim for payment has been filed by a person entitled under the order of precedence named by subsection (a) of this section, and neither the Office nor the administrative office established by the company concerned pursuant to section 8709(b) of this title has received notice that such a claim will be made, payment may be made to the claimant who in the judgment of the Office is equitably entitled thereto, and the payment bars recovery by any other person.

(d) If, within 4 years after the death of the employee, payment has not been made under this section and no claim for payment by a person entitled under this section is pending, the amount payable escheats to the credit of the Employees' Life Insurance Fund.

(e)(1) Any amount which would otherwise be paid to a person determined under the order of precedence named by subsection (a) shall be paid (in whole or in part) by the Office to another person if and to the extent expressly provided for in the terms of any court decree of divorce, annulment, or legal separation, or the terms of any court order or court-approved property settlement agreement incident to any court decree of divorce, annulment, or legal separation.

(2) For purposes of this subsection, a decree, order, or agreement referred to in paragraph (1) shall not be effective unless it is received, before the date of the covered employee's death, by the employing agency or, if the employee has separated from service, by the Office.

(3) A designation under this subsection with respect to any person may not be changed except—

(A) with the written consent of such person, if received as described in paragraph (2); or

(B) by modification of the decree, order, or agreement, as the case may be, if received as described in paragraph (2).

(4) The Office shall prescribe any regulations necessary to carry out this subsection, including regulations for the application of this subsection in the event that two or more decrees, orders, or agreements, are received with respect to the same amount.

(Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 594; Pub. L. 90-83, §1(91), Sept. 11, 1967, 81 Stat. 219; Pub. L. 95-454, title IX, §906(a)(2), (3), Oct. 13, 1978, 92 Stat. 1224; Pub. L. 95-583, §1(b), Nov. 2, 1978, 92 Stat. 2481; Pub. L. 105-205, §1, July 22, 1998, 112 Stat. 683.)

HISTORICAL AND REVISION NOTES
1966 ACT

<i>Derivation</i>	<i>U.S. Code</i>	<i>Revised Statutes and Statutes at Large</i>
.....	5 U.S.C. 2093.	Aug. 17, 1954, ch. 752, §4, 68 Stat. 738. Aug. 28, 1962, Pub. L. 87-611, §1, 76 Stat. 406.

In subsection (c), the words "Employees' Life Insurance Fund" are substituted for "fund created pursuant to section 2094(c) of this title".

Standard changes are made to conform with the definitions applicable and the style of this title as outlined in the preface to the report.

1967 ACT

<i>Section of title 5</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
8705(a)	5 App.: 2093.	Mar. 23, 1966, Pub. L. 89-373, §1, 80 Stat. 78.

In subsection (a), "Civil Service Commission" is substituted for "Commission" on authority of former 5 U.S.C. 2091(a).

In subsection (c), "Commission" is substituted for "Civil Service Commission" for consistency of style. The full title of the Commission is set forth the first time it is used in a section.

AMENDMENTS

1998—Subsec. (a). Pub. L. 105-205, §1(1), substituted "Except as provided in subsection (e), the" for "The".

Subsec. (e). Pub. L. 105-205, §1(2), added subsec. (e).

1978—Subsec. (a). Pub. L. 95-583 struck out "or (c)" after "section 8706(b)".

Pub. L. 95-454 substituted "Office of Personnel Management" for "Civil Service Commission".

Subsec. (c). Pub. L. 95-454 substituted "Office" for "Commission" wherever appearing.

EFFECTIVE DATE OF 1978 AMENDMENTS

Amendment by Pub. L. 95-583 effective Nov. 2, 1978, see section 3 of Pub. L. 95-583, set out as a note under section 8706 of this title.

Amendment by Pub. L. 95-454 effective 90 days after Oct. 13, 1978, see section 907 of Pub. L. 95-454, set out as a note under section 1101 of this title.

§ 8706. Termination of insurance; assignment of ownership

(a) A policy purchased under this chapter shall contain a provision, approved by the Office of Personnel Management, to the effect that insurance on an employee stops on his separation from the service or 12 months after discontinuance of his pay, whichever is earlier, subject to a provision for temporary extension of life insurance coverage and for conversion to an individual policy of life insurance under conditions approved by the Office. Justices and judges of the United States described in section 8701(a)(5)(ii) and (iii) of this chapter are deemed to continue in active employment for purposes of this chapter.

(b)(1) In the case of any employee who retires on an immediate annuity and has been insured under this chapter throughout—

(A) the 5 years of service immediately preceding the date of the employee's retirement, or

(B) the full period or periods of service during which the employee was entitled to be insured, if fewer than 5 years,

life insurance, without accidental death and dismemberment insurance, may be continued, under conditions determined by the Office.

(2) In the case of any employee who becomes entitled to receive compensation under subchapter I of chapter 81 of this title because of disease or injury to the employee and has been insured under this chapter throughout—

(A) the 5 years of service immediately preceding the date the employee becomes entitled to compensation, or

(B) the full period or periods of service during which the employee was entitled to be insured, if fewer than 5 years,

life insurance, without accidental death and dismemberment insurance, may be continued, under conditions determined by the Office, during the period the employee is receiving compensation and is held by the Secretary of Labor or the Secretary's delegate to be unable to return to duty.

(3) The amount of life insurance continued under paragraph (1) or (2) of this subsection shall be continued, with or without reduction, at the end of each full calendar month after the date the employee becomes 65 years of age and is retired or is receiving compensation for disease or injury, in accordance with the employee's written election at the time eligibility to continue insurance during retirement or receipt of compensation arises, as follows:

(A) the employee may elect to have the deductions required by section 8707 of this title withheld from annuity or compensation, and the employee's life insurance shall be reduced each month by 2 percent of the face value until 25 percent of the amount of life insurance in force before the first reduction remains; or

(B) in addition to any deductions which would be required if the insurance were continued as provided under subparagraph (A) of this paragraph, the employee may elect continuous withholdings from annuity or compensation in amounts determined by the Office, and the employee's life insurance coverage shall be either continued without reduction or reduced each month by no more than 1 percent of its face value until no less than 50 percent of the amount of insurance in force before the first reduction remains.

(4) If an employee elects to continue insurance under subparagraph (B) of paragraph (3) of this subsection at the time eligibility to continue insurance during retirement or receipt of compensation for disease or injury arises, the individual may later cancel that election and life insurance coverage shall continue as if the individual had originally elected coverage under subparagraph (A) of paragraph (3) of this subsection.

(c) Notwithstanding subsections (a) and (b) of this section, an employee who enters on approved leave without pay to serve as a full-time officer or employee of an organization composed primarily of employees as defined by section 8701(a) of this title, within 60 days after entering on that leave without pay, may elect to continue his insurance and arrange to pay currently into the Employees' Life Insurance Fund,

through his employing agency, both employee and agency contributions from the beginning of leave without pay. The employing agency shall forward the premium payments to the Fund. If the employee does not so elect, his insurance will continue during nonpay status and stop as provided by subsection (a) of this section.

(d)(1) An employee who enters on approved leave without pay in the circumstances described in paragraph (2) may elect to have such employee's life insurance continue (beyond the end of the 12 months of coverage provided for under subsection (a)) for an additional 12 months and arrange to pay currently into the Employees' Life Insurance Fund, through such employee's employing agency, both employee and agency contributions, from the beginning of that additional 12 months of coverage. The employing agency shall forward the premium payments to the Fund. If the employee does not so elect, such employee's insurance will continue during nonpay status and stop as provided by subsection (a). An individual making an election under this subsection may cancel that election at any time, in which case such employee's insurance will stop as provided by subsection (a) or upon receipt of notice of cancellation, whichever is later.

(2) This subsection applies in the case of any employee who—

(A) is a member of a reserve component of the armed forces called or ordered to active duty under a call or order that does not specify a period of 30 days or less; and

(B) enters on approved leave without pay to perform active duty pursuant to such call or order.

(e) If the insurance of an employee stops because of separation from the service or suspension without pay, and the separation or suspension is thereafter officially found to have been erroneous, the employee is deemed to have been insured during the period of erroneous separation or suspension. Deductions otherwise required by section 8707 of this chapter shall not be withheld from any backpay awarded for the period of separation or suspension unless death or accidental dismemberment of the employee occurs during such period.

(f)(1) Under regulations prescribed by the Office, each policy purchased under this chapter shall provide that an insured employee or former employee may make an irrevocable assignment of the employee's or former employee's incidents of ownership in the policy.

(2) A court decree of divorce, annulment, or legal separation, or the terms of a court-approved property settlement agreement incident to any court decree of divorce, annulment, or legal separation, may direct that an insured employee or former employee make an irrevocable assignment of the employee's or former employee's incidents of ownership in insurance under this chapter (if there is no previous assignment) to the person specified in the court order or court-approved property settlement agreement.

(g) If the insurance of a former employee receiving a disability annuity under section 8337 of this title stops because of the termination of such annuity, and such annuity is thereafter restored under the second or third sentence of sub-

section (e) of such section, such former employee may, under regulations prescribed by the Office, elect to resume the insurance coverage which was so stopped.

(h) The insurance of an employee under a policy purchased under section 8709 shall not be invalidated based on a finding that the employee erroneously became insured, or erroneously continued insurance upon retirement or entitlement to compensation under subchapter I of chapter 81 of this title, if such finding occurs after the erroneous insurance and applicable withholdings have been in force for 2 years during the employee's lifetime.

(Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 595; Pub. L. 90-83, §1(92), Sept. 11, 1967, 81 Stat. 219; Pub. L. 92-529, Oct. 21, 1972, 86 Stat. 1050; Pub. L. 95-454, title IX, §906(a)(2), (3), Oct. 13, 1978, 92 Stat. 1224; Pub. L. 95-583, §1(a), Nov. 2, 1978, 92 Stat. 2481; Pub. L. 96-427, §3(a), Oct. 10, 1980, 94 Stat. 1832; Pub. L. 98-353, title II, §§206, 208, July 10, 1984, 98 Stat. 351, as amended by Pub. L. 99-336, §7(1), June 19, 1986, 100 Stat. 639; Pub. L. 99-53, §3(b), June 17, 1985, 99 Stat. 95; Pub. L. 99-335, title II, §207(k)(2), June 6, 1986, 100 Stat. 597; Pub. L. 99-336, §7(1), June 19, 1986, 100 Stat. 639; Pub. L. 102-378, §2(74), Oct. 2, 1992, 106 Stat. 1355; Pub. L. 103-336, §4, Oct. 3, 1994, 108 Stat. 2662; Pub. L. 105-205, §2, July 22, 1998, 112 Stat. 683; Pub. L. 105-311, §5, Oct. 30, 1998, 112 Stat. 2951; Pub. L. 110-181, div. A, title XI, §1102, Jan. 28, 2008, 122 Stat. 345.)

HISTORICAL AND REVISION NOTES
1966 ACT

<i>Derivation</i>	<i>U.S. Code</i>	<i>Revised Statutes and Statutes at Large</i>
(a)-(c)	5 U.S.C. 2095.	Aug. 17, 1954, ch. 752, §6, 68 Stat. 739. Aug. 11, 1955, ch. 794, §2(a), 69 Stat. 677. May 28, 1956, ch. 328, §1, 70 Stat. 213. Sept. 23, 1959, Pub. L. 86-377, §4(c), 73 Stat. 701.
(d)	5 U.S.C. 2091(c).	Aug. 1, 1956, ch. 837, §501(c)(1) (less applicability to §2(b)), 70 Stat. 882.

In subsection (b), the words "armed forces" are coextensive with and substituted for "Army, Navy, Air Force, and Marine Corps, or Coast Guard of the United States" in view of the definition of "armed forces" in section 2101.

In subsection (c), the word "only" is supplied for clarity and for consistency with subsection (b). The words "under conditions determined by the Commission, without cost to him" are coextensive with and substituted for "as provided in subsection (b) of this section".

In subsection (d), the first sentence of former section 2091(c) is omitted as unnecessary as the definition of "employee" in section 8701 precludes acquisition of coverage by a member of a uniformed service. The words "section 101 of title 38" are substituted for "section 1101 of title 38" on authority of section 5(a) of the Act of Sept. 2, 1958, Pub. L. 85-857, 72 Stat. 1262.

Standard changes are made to conform with the definitions applicable and the style of this title as outlined in the preface to the report.

1967 ACT

<i>Section of title 5</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
8706(e)	5 App.: 2095(d).	July 18, 1966, Pub. L. 89-504, §406(a), 80 Stat. 298.

The words "subsections (a)-(c) of this section" are substituted for "the foregoing" to reflect the codification of former 5 U.S.C. 2095. The word "officer" is omitted as included in "employee." The words "as defined by section 8701(a) of this title" are substituted for "as defined in section 2 of the Act" to reflect the codification of that section in 5 U.S.C. 8701(a). The words "Employees' Life Insurance Fund" and "Fund" are substituted for "fund" and "fund established by section 5 of this Act", respectively.

AMENDMENTS

2008—Subsecs. (d) to (h). Pub. L. 110-181 added subsec. (d) and redesignated former subsecs. (d) to (g) as (e) to (h), respectively.

1998—Subsec. (e). Pub. L. 105-205 designated existing provisions as par. (1) and added par. (2).

Subsec. (g). Pub. L. 105-311 added subsec. (g).

1994—Subsec. (e). Pub. L. 103-336 substituted "employee or former employee" for "Federal judge", "employee's or former employee's" for "judge's", and "purchased" for "purchase".

1992—Subsecs. (f), (g). Pub. L. 102-378 redesignated subsec. (g) as (f).

1986—Subsec. (a). Pub. L. 98-353, §206, as amended generally by Pub. L. 99-336, §7(1), inserted sentence which deemed justices and judges described in section 8701(a)(5)(ii) and (iii) of this chapter to continue in active employment for purposes of this chapter.

Subsecs. (c) to (f). Pub. L. 99-335 struck out subsec. (c) and redesignated subsecs. (d) to (f) as (c) to (e), respectively. Former subsec. (c) provided that insurance granted an employee stops, except for a 31-day extension of life insurance coverage, on the day immediately before his entry on active duty or active duty for training unless the period is covered by military leave with pay but does not stop during a period of inactive duty training and defined "active duty", "active duty for training", and "inactive duty training" as having the meanings given them by section 101 of title 38.

1985—Subsec. (g). Pub. L. 99-53 added subsec. (g).

1984—Pub. L. 98-353, §208(b), inserted "; assignment of ownership" in section catchline.

Subsec. (f). Pub. L. 98-353, §208(a), added subsec. (f).

1980—Subsec. (b). Pub. L. 96-427 added subsec. (b) and struck out former subsec. (b) which read as follows:

"(1) If on the date the insurance would otherwise stop the employee retires on an immediate annuity and has been insured under this chapter throughout—

"(A) the 5 years of service immediately preceding such date, or

"(B) the full period or periods of service during which the employee was entitled to be insured, if less than 5 years,

life insurance only may be continued, without cost to the employee, under conditions determined by the Office.

"(2) If on the date the insurance would otherwise stop the employee is receiving compensation under subchapter I of chapter 81 of this title because of disease or injury to the employee and has been insured under this chapter throughout—

"(A) the 5 years of service immediately preceding such date, or

"(B) the full period or periods of service during which the employee was entitled to be insured, if less than 5 years,

life insurance only may be continued, without cost to the employee, under conditions determined by the Office, during the period the employee is receiving compensation for work injuries and is held by the Secretary of Labor or his delegate to be unable to return to duty.

“(3) The amount of life insurance continued under paragraph (1) or paragraph (2) of this subsection shall be reduced by 2 percent at the end of each full calendar month after the date the employee becomes 65 years of age and is retired or is receiving such compensation for disease or injury. The Office shall prescribe minimum amounts, not less than 25 percent of the amount of life insurance in force before the first reduction, to which the insurance may be reduced.”

1978—Subsec. (a). Pub. L. 95-454 substituted “Office of Personnel Management” and “Office” for “Civil Service Commission” and “Commission”, respectively.

Subsec. (b). Pub. L. 95-583, §1(a)(1), added subsec. (b) and struck out former subsec. (b) which read as follows: “If on the date the insurance would otherwise stop the employee retires on an immediate annuity and—

“(1) his retirement is for disability; or

“(2) he has completed 12 years of creditable service as determined by the Commission;

his life insurance only may be continued, without cost to him, under conditions determined by the Commission. Periods of honorable, active service in the armed forces shall be credited toward the required 12 years if the employee has completed at least 5 years of civilian service. The amount of life insurance continued under this subsection shall be reduced by 2 percent at the end of each full calendar month after the date the employee becomes 65 years of age or retires, whichever is later. The Commission may prescribe minimum amounts, not less than 25 percent of the amount of life insurance in force before the first reduction, to which the insurance may be reduced.”

Pub. L. 95-454, which substituted “Office” for “Commission”, was executed to text of subsec. (b) as amended by Pub. L. 95-583. See Effective Date of 1978 Amendments note below.

Subsec. (c). Pub. L. 95-583, §1(a)(1), (2), struck out “If on the date the insurance would otherwise stop the employee is receiving benefits under subchapter I of chapter 81 of this title because of disease or injury to himself, his life insurance only may be continued, without cost to him, under conditions determined by the Commission while he is receiving the benefits and is held by the Department of Labor to be unable to return to duty.” and redesignated subsec. (d) as (c).

Subsec. (d). Pub. L. 95-583, §1(a)(2), (3), redesignated subsec. (e) as (d) and substituted reference to “subsections (a) and (b) of this section” for “subsections (a)-(c) of this section”. Former subsec. (d) redesignated (c).

Subsecs. (e), (f). Pub. L. 95-583, §1(a)(2), redesignated subsecs. (e) and (f) as (d) and (e), respectively.

1972—Subsec. (f). Pub. L. 92-529 added subsec. (f).

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-311 effective in any case in which a finding of erroneous insurance coverage is made on or after Oct. 30, 1998, see section 11(c) of Pub. L. 105-311, set out as a note under section 8701 of this title.

EFFECTIVE DATE OF 1986 AMENDMENTS

Section 207 of Pub. L. 98-353, as amended generally by Pub. L. 99-336, §7(2), provided that: “The amendments to chapter 87 of title 5, United States Code, made by section 206 of this Act [which, as amended generally by Pub. L. 99-336, §7(1), amended this section and sections 8714a to 8714c of this title] shall apply in the case of any justice or judge who is retired under section 371(a) or 371(b) or 372(a) of title 28, United States Code. The amendments apply to those who retire on or after January 1, 1982.”

Amendment by Pub. L. 99-335 effective Jan. 1, 1987, see section 702(a) of Pub. L. 99-335, set out as an Effective Date note under section 8401 of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Section 209 of Pub. L. 98-353 provided that:

“(a) Except as provided in subsection (b), the amendments made by this Act to section 8706 of title 5,

United States Code, shall apply to policies purchased by judges after the date of enactment of this Act [July 10, 1984].

“(b) If a company which issued a policy which is in effect on the date of the enactment of this Act agrees, the amendments made by this Act [probably should be ‘made by this Act to section 8706 of title 5’] shall apply to such policy.”

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-427 applicable only in case of an employee who retires or becomes entitled to receive compensation for work injury on or after 180th day following Oct. 10, 1980, or any earlier date that Office of Personnel Management may prescribe which is at least 60 days after Oct. 10, 1980, see section 10(c) of Pub. L. 96-427, set out as a note under section 8701 of this title.

EFFECTIVE DATE OF 1978 AMENDMENTS

Section 3 of Pub. L. 95-583 provided that: “The amendments made by this Act [amending this section and sections 8705, 8714a, and 8901 of this title] shall take effect on the date of the enactment of this Act [Nov. 2, 1978].”

Amendment by Pub. L. 95-454 effective 90 days after Oct. 13, 1978, see section 907 of Pub. L. 95-454, set out as a note under section 1101 of this title.

INSURANCE COVERAGE FOR RESTORED DISABILITY ANNUITANTS

Section 3(c) of Pub. L. 99-53 provided that:

“(1) The amendments made by this section [amending this section and section 8908 of this title] shall apply with respect to any individual whose disability annuity is or was restored under section 8337(e) of title 5, United States Code, after December 31, 1983.

“(2)(A) The Office of Personnel Management shall notify each individual under subparagraph (B) of any rights which such individual may have under section 8706(g) or section 8908(c) of title 5, United States Code, as amended by this section, including any procedures or deadlines which may apply with respect to the exercise of those rights.

“(B) Notification under this paragraph shall be provided to any individual who, as of the 90th day after the date of enactment of this Act [June 17, 1985], is receiving a disability annuity which was restored to such individual under section 8337(e) of title 5, United States Code, after December 31, 1983.

“(3)(A) Nothing in this section shall be construed to authorize—

“(i) coverage under chapter 87 of title 5, United States Code, in the case of any individual who makes an election under section 8706(g) of such title (as amended by this Act), for any period before the date of such election; or

“(ii) coverage under chapter 89 of title 5, United States Code, in the case of any individual who becomes enrolled in a health benefits plan under section 8908(c) of such title (as amended by this Act), for any period before the date as of which such individual becomes so enrolled.

“(B) This paragraph applies with respect to any individual receiving a disability annuity which is or was restored under section 8337(e) of title 5, United States Code, after December 31, 1983, and before the expiration of the 90-day period beginning on the date of enactment of this Act [June 17, 1985].”

ELECTION OF LIFE INSURANCE OR HEALTH BENEFITS DURING PERIOD OF SERVICE AS OFFICER OR EMPLOYEE OF AN EMPLOYEE ORGANIZATION; CONTRIBUTIONS INTO EMPLOYEES LIFE INSURANCE FUND OR EMPLOYEES HEALTH BENEFITS FUND, NON-ELECTION; REGULATIONS

Pub. L. 89-504, title IV, §406(c), July 18, 1966, 80 Stat. 298, provided that: “An officer or employee who is on approved leave without pay and serving as a full-time

officer or employee of an organization composed primarily of employees, as defined in section 2 of the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091) [section 8701 of this title] or section 2 of the Federal Employees Health Benefits Act of 1959, as amended (5 U.S.C. 3001) [section 8901 of this title] as the case may be, may, within sixty days after the date of enactment of this Act [July 18, 1966], file with his employing agency an election (1) to continue any insurance status or health benefits enrollment, or both, that he has on the date of enactment of this Act [July 18, 1966], (2) to reacquire any insurance status or health benefits enrollment, or both, which he may have lost while on leave without pay, or (3) to acquire as insured status or enroll in a health benefits plan, or both, if he was never previously eligible to do so, by arranging to pay currently and continuously into the employees' life insurance fund and the employees' health benefits fund, as appropriate, through his employing agency, both employee and agency contributions. The employing agency shall forward such payments to the employees' life insurance fund and the employees' health benefits fund, as appropriate. If he does not so elect, his insurance status and health benefits enrollment will continue and terminate as for other employees in non-pay status, or he will remain ineligible for insurance and health benefits, as the case may be, as though this paragraph had not been enacted. The United States Civil Service Commission is authorized to issue regulations to carry out the purposes of this paragraph."

[Provision effective July 18, 1966, see section 410(1) of Pub. L. 89-504.]

§ 8707. Employee deductions; withholding

(a) Subject to subsection (c)(2), during each period in which an employee is insured under a policy purchased by the Office of Personnel Management under section 8709 of this title, there shall be withheld from the employee's pay a share of the cost of the group life insurance and accidental death and dismemberment insurance.

(b)(1) Subject to subsection (c)(2), whenever life insurance continues after an employee retires on an immediate annuity or while the employee is receiving compensation under subchapter I of chapter 81 of this title because of disease or injury to the employee, as provided in section 8706(b) of this title, deductions for insurance shall be withheld from the employee's annuity or compensation, except that, in any case in which the insurance is continued as provided in section 8706(b)(3)(A) of this title, the deductions shall not be made for months after the calendar month in which the employee becomes 65 years of age.

(2) Notwithstanding paragraph (1) of this subsection, insurance shall be so continued without cost (other than as provided under section 8706(b)(3)(B)) to each employee who so retires, or commences receiving compensation, on or before December 31, 1989.

(c)(1) The amount withheld from the pay, annuity, or compensation of each employee subject to insurance deductions shall be at the rate, adjusted to the nearest half-cent, of 66 $\frac{2}{3}$ percent of the level cost as determined by the Office for each \$1,000 of the employee's basic insurance amount.

(2) An employee who is subject to withholdings under this section and whose pay, annuity, or compensation is insufficient to cover such withholdings may nevertheless continue insurance if the employee arranges to pay cur-

rently into the Employees' Life Insurance Fund, through the agency or retirement system that administers pay, annuity, or compensation, an amount equal to the withholdings that would otherwise be required under this section.

(d) If an agency fails to withhold the proper amount of life insurance deductions from an individual's salary, compensation, or retirement annuity, the collection of unpaid deductions may be waived by the agency if, in the judgment of the agency, the individual is without fault and recovery would be against equity and good conscience. However, if the agency so waives the collection of unpaid deductions, the agency shall submit an amount equal to the sum of the uncollected deductions and related agency contributions required under section 8708 of this title to the Office for deposit to the Employees' Life Insurance Fund.

(Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 595; Pub. L. 90-206, title IV, § 402, Dec. 16, 1967, 81 Stat. 647; Pub. L. 95-454, title IX, § 906(a)(2), (3), Oct. 13, 1978, 92 Stat. 1224; Pub. L. 96-427, § 4(a), Oct. 10, 1980, 94 Stat. 1833; Pub. L. 105-311, § 6(1), Oct. 30, 1998, 112 Stat. 2951.)

HISTORICAL AND REVISION NOTES

<i>Derivation</i>	<i>U.S. Code</i>	<i>Revised Statutes and Statutes at Large</i>
.....	5 U.S.C. 2094(a) (1st par.).	Aug. 17, 1954, ch. 752, § 5(a) (1st par.), 68 Stat. 738. Sept. 23, 1959, Pub. L. 86-377, § 4(b), 73 Stat. 701.

Standard changes are made to conform with the definitions applicable and the style of this title as outlined in the preface to the report.

AMENDMENTS

1998—Subsec. (a). Pub. L. 105-311, § 6(1)(A), substituted "Subject to subsection (c)(2), during" for "During".

Subsec. (b)(1). Pub. L. 105-311, § 6(1)(B), substituted "Subject to subsection (c)(2), whenever" for "Whenever".

Subsec. (c). Pub. L. 105-311, § 6(1)(C), designated existing provisions as par. (1) and added par. (2).

1980—Subsec. (a). Pub. L. 96-427 designated first sentence of existing section as subsec. (a) and substituted "a policy purchased" for "a policy of insurance purchased" and "the employee's pay a share of the cost" for "the pay of the employee his share of the cost".

Subsec. (b). Pub. L. 96-427 added subsec. (b).

Subsec. (c). Pub. L. 96-427 designated second sentence of existing section as subsec. (c) and inserted reference to pay, annuity, or compensation of each employee.

Subsec. (d). Pub. L. 96-427 added subsec. (d).

1978—Pub. L. 95-454 substituted "Office of Personnel Management" and "Office" for "Civil Service Commission" and "Commission", respectively.

1967—Pub. L. 90-206 struck out reference to the Civil Service Commission's function of determining the amount to be withheld for group insurance and substituted provisions setting a rate of 66 $\frac{2}{3}$ percent of the level cost of each \$1,000 of insurance as determined by the Commission for provisions setting a limit of 25 cents biweekly for each \$1,000 of group life insurance and directing the withholding of the amount from employees paid on other than a biweekly basis at a proportional rate adjusted to the nearest cent.

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-311 effective on the first day of the first applicable pay period beginning on or after Oct. 30, 1998, see section 11(d) of Pub. L. 105-311, set out as a note under section 8701 of this title.