

# Rules and Regulations

Federal Register

Vol. 81, No. 87

Thursday, May 5, 2016

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

## OFFICE OF PERSONNEL MANAGEMENT

### 5 CFR Part 870

RIN 3206-AM96

### Federal Employees' Group Life Insurance Program: Options B and C

**AGENCY:** U.S. Office of Personnel Management.

**ACTION:** Final rule.

**SUMMARY:** The U.S. Office of Personnel Management (OPM) is issuing a final rule to amend the Federal Employees' Group Life Insurance (FEGLI) regulation to provide a second reduction election opportunity for annuitants and compensationers enrolled in FEGLI Option B and Option C. This new procedure replaces the procedure by which FEGLI enrollees elect the allowable multiples of coverage they wish to continue during retirement or while receiving compensation.

**DATES:** Effective May 5, 2016.

**ADDRESSES:** Send written comments to Ronald Brown, Planning and Policy Analysis, U.S. Office of Personnel Management, Room 4312, 1900 E Street NW., Washington, DC 20415. You may also submit comments using the *Federal eRulemaking Portal*: <http://www.regulations.gov>. Follow the instructions for submitting comments.

**FOR FURTHER INFORMATION CONTACT:** Ronald Brown, Policy Analyst, (202) 606-0004, or by email to [Ronald.Brown@opm.gov](mailto:Ronald.Brown@opm.gov).

**SUPPLEMENTARY INFORMATION:** On October 30, 1998, Public Law 105-311, 112 Stat. 2950, was signed into law. This law, the Federal Employees Life Insurance Improvement Act, changed many parts of the FEGLI Program. Before the enactment of Public Law 105-311, Option B and C coverage began to reduce for annuitants when they reached age 65. Both coverages

reduced by 2% per month until there was no coverage left. This reduction was automatic, and annuitants had no choice.

Public Law 105-311 allows annuitants and persons becoming insured as compensationers to make an election at retirement as to whether they want their Option B and Option C coverage to reduce.

Previous FEGLI regulations provided that shortly before an individual's 65th birthday, he/she would receive a reminder notice, showing what reduction the annuitant/compensationers elected at the time of retirement and what the premiums would be for coverage beyond age 65. The individual then had an opportunity to change his/her reduction election; including choosing to have some multiples of Optional insurance reduce and others not reduce. For persons who were already over age 65 at the time of retirement or becoming insured as a compensationers, the reminder notice was sent as soon as the retirement processing was completed.

On October 1, 2010, OPM published FEGLI final regulations (75 FR 60573) with miscellaneous changes, clarifications, and corrections, including a change made to 5 CFR 870.705(b) and 870.705(d) ending the reduction election opportunity at age 65.

OPM published a FEGLI proposed rule in the **Federal Register**, 78 FR 77365, December 23, 2013, proposing to reverse the changes to 5 CFR 870.705(b) and 870.705(d) authorized on October 1, 2010, and inviting public comments. The December 23, 2013 rule proposed to restore the second election opportunity for annuitants and compensationers who attain age 65. OPM received no comments and will implement the rule as proposed.

### Changes

Public Law 105-311, the Federal Employees Life Insurance Improvement Act, 112 Stat. 2950, enacted October 30, 1998, amended chapter 87 of title 5, U.S. Code, to allow retiring employees to elect either No Reduction or Full Reduction for their Option B and Option C coverage. This election was to be made at the time of retirement, the same as the election for Basic insurance. Implementing this provision required programming changes to the electronic records system for annuitants to allow for "mixed" elections, *i.e.*, electing

reductions for some coverage, but not for other coverage. While these system changes were being made, annuitants were required to elect either No Reduction or Full Reduction for all Option B and Option C multiples at the time of retirement. Then, shortly before the annuitant's 65th birthday, the insured was given a second opportunity to make a reduction election, this time being allowed to choose No Reduction for some multiples and Full Reduction for others. While the law states that the reduction election must be made at the time of retirement, enrollees affected by this provision have expressed interest in having a second reduction election opportunity. Thus, we are restoring the opportunity for a second election at age 65. This change can be found in § 870.705(b) and § 870.705(d).

### Regulatory Impact Analysis

OPM has examined the impact of this rule as required by Executive Order 12866 and Executive Order 13563, which directs agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public, health, and safety effects, distributive impacts, and equity). A regulatory impact analysis must be prepared for major rules with economically significant effects of \$100 million or more in any one year. This rule is not considered a major rule because there will be a minimal impact on costs to Federal agencies.

### Regulatory Flexibility Act

I certify that this regulation will not have a significant economic impact on a substantial number of small entities because the regulation only affects life insurance benefits of Federal employees and retirees.

### Executive Order 12866, Regulatory Review

This rule has been reviewed by the Office of Management and Budget in accordance with Executive Order 12866.

### Federalism

We have examined this rule in accordance with Executive Order 13132, Federalism, and have determined that this rule will not have any negative impact on the rights, roles and

responsibilities of State, local, or tribal governments.

List of Subjects in 5 CFR Part 870

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

U.S. Office of Personnel Management.

Beth F. Cobert,

Acting Director.

Accordingly, OPM is amending 5 CFR part 870 as follows:

PART 870—FEDERAL EMPLOYEES' GROUP LIFE INSURANCE PROGRAM

■ 1. The authority citation for 5 CFR part 870 is revised to read as follows:

Authority: 5 U.S.C. 8716; Subpart J also issued under section 599C of Pub. L. 101-513, 104 Stat. 2064, as amended; Sec. 870.302(a)(3)(ii) also issued under section 153 of Pub. L. 104-134, 110 Stat. 1321; Sec. 870.302(a)(3) also issued under sections 11202(f), 11232(e), and 11246(b) and (c) of Pub. L. 105-33, 111 Stat. 251, and section 7(e) of Pub. L. 105-274, 112 Stat. 2419; Sec. 870.302(a)(3) also issued under section 145 of Pub. L. 106-522, 114 Stat. 2472; Secs. 870.302(b)(8), 870.601(a), and 870.602(b) also issued under Pub. L. 110-279, 122 Stat. 2604; Subpart E also issued under 5 U.S.C. 8702(c); Sec. 870.601(d)(3) also issued under 5 U.S.C. 8706(d); Sec. 870.703(e)(1) also issued under section 502 of Pub. L. 110-177, 121 Stat. 2542; Sec. 870.705 also issued under 5 U.S.C. 8714b(c) and 8714c(c); Public Law 104-106, 110 Stat. 521.

Subpart G—Annuitants and Compensationers

■ 2. Amend § 870.705 by revising paragraph (b)(3)(ii), adding paragraph (b)(4), and revising paragraph (d)(1)(i) to read as follows:

§ 870.705 Amount and election of Option B and Option C.

\* \* \* \* \*

(b) \* \* \*

(3) \* \* \*

(ii) Except as provided in paragraph (b)(4) of this section, after reaching age 65, an annuitant or compensationner cannot change from Full Reduction to No Reduction.

(4)(i) Shortly before an annuitant or compensationner's 65th birthday, an annuitant's retirement system will send a reminder about the post-age-65 reduction election he/she made and will offer the individual a chance to change the initial election made at the time of retirement.

(ii) If the individual is already 65 or older at the time of retirement or becoming insured as a compensationner, the retirement system will process the retirement using the current

Continuation of Life Insurance Coverage (SF 2818) on file, send the reminder, and give the opportunity to change the election as soon as the retirement processing or compensation transfer is complete.

(iii) If the individual assigned his/her insurance as provided in subpart I of this part, and if the employee elected No Reduction for Option B coverage at the time of retirement or becoming insured as a compensationner, the retirement system will send the reminder notice for Option B coverage to the assignee.

(iv) An annuitant or compensationner who wishes to change his/her reduction election must return the notice by the end of the month following the month in which the individual turns 65, or if already over age 65, by the end of the 4th month after the date of the letter. An annuitant or compensationner who does not return the election notice will keep his/her initial election or the default election, as applicable.

\* \* \* \* \*

(d)(1) \* \* \*

(i) Annuitants and compensationners who were under age 65 were notified of the option to elect No Reduction. The retirement system will send these individuals an actual election notice before their 65th birthday, as provided in paragraph (b)(4) of this section.

\* \* \* \* \*

[FR Doc. 2016-10539 Filed 5-4-16; 8:45 am]

BILLING CODE 6325-63-P

DEPARTMENT OF ENERGY

10 CFR Parts 430 and 431

RIN 1904-AD63

Energy Conservation Program: Establishment of Procedures for Requests for Correction of Errors in Rules

AGENCY: Office of Energy Efficiency and Renewable Energy, Department of Energy.

ACTION: Final rule.

SUMMARY: The U.S. Department of Energy ("DOE" or the "Department") is establishing a procedure through which an interested party can, within a 30-day period after DOE posts a rule establishing or amending an energy conservation standard, identify a possible error in such a rule and request that DOE correct the error before the rule is published in the Federal Register.

DATES: The effective date of this rule is June 6, 2016.

ADDRESSES: See the companion document titled "Notice of Opportunity to Submit a Petition to Amend the Rule Establishing Procedures for Requests for Correction of Errors in Rules" published elsewhere in this issue of the Federal Register for addresses to submit a petition to amend, or a comment on a petition to amend, this rule.

FOR FURTHER INFORMATION CONTACT: Mr. John Cymbalsky, U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Building Technologies Program, EE-5B, 1000 Independence Avenue SW., Washington, DC 20585-0121. Telephone: (202) 287-1692 or John.Cymbalsky@ee.doe.gov.

SUPPLEMENTARY INFORMATION:

Table of Contents

- I. Authority and Background
II. Summary of the Rule
III. Paragraph-by-Paragraph Analysis
IV. Procedural Issues and Regulatory Review

I. Authority and Background

Title III of the Energy Policy and Conservation Act of 1975, as amended ("EPCA" or, in context, "the Act") establishes a program designed to improve the energy efficiency of consumer products (other than automobiles) and of certain industrial equipment. Pursuant to EPCA, the Department sets energy conservation standards and other requirements for covered products and equipment; prescribes protocols to test products and equipment against the standards; requires labeling of covered products and equipment; and establishes procedural mechanisms such as certification programs and enforcement procedures. See 42 U.S.C. 6291, et seq. This rule establishes error-correction procedures that DOE will use in the course of prescribing energy conservation standards under EPCA. It also interprets several provisions of EPCA that may be relevant to the functioning of those procedures.

One of EPCA's many purposes is to improve energy efficiency for a variety of major consumer products and industrial equipment. To achieve this purpose, the Act directs the Department both to undertake certain rulemakings to establish or revise energy conservation standards and to consider amending such standards on a periodic basis—for many products within six years of issuance of a prior final rule. 42 U.S.C. 6295(m)(1). The Act contemplates that such a rulemaking or periodic review will result in a new or amended standard if the Department concludes that such standard would be technologically feasible and