

Questions & Answers Sheet For SGLI Increase to \$400K Premium Payments

This Questions & Answers Sheet provides information regarding coverage and premium deductions for the automatic increase in SGLI coverage to \$400,000 effective September 1, 2005.

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1. What is SGLI?

SGLI is a program of low cost group term life insurance for members of the uniformed services.

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2. Is the Increased SGLI Coverage Automatic?

By law, on September 1, 2005, all members eligible for SGLI will be automatically covered for \$400,000. This increase affects all members who are eligible for SGLI coverage, regardless of any previous requests to reduce or decline SGLI. A monthly premium of \$26.00 will be deducted from your September 2005 pay, except as indicated in the answer to Question 8 below.

Note: You cannot elect to decline or reduce coverage prior to September 1, 2005. Any elections to decline or reduce coverage made during the month of September will be effective October 1, 2005. To decline or reduce SGLI coverage, complete Form SGLV-8286, "Servicemembers' Group Life Insurance Election and Certificate". The September 2003 and previous versions of this form are not acceptable and will be returned unprocessed to the officer. The revised Form SGLV-8286 will be available on August 31, 2005 online at [SGLI Forms.](#)

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3. How Much Coverage is Available?

Effective September 1, 2005, SGLI coverage is available in \$50,000 increments up to the maximum of \$400,000.

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4. What are the different coverage levels and the associated monthly premiums?

For elections on or after September 1, 2005, if you want the maximum SGLI coverage of \$400,000, you do not need to do anything. If you do not want the maximum SGLI coverage you may decline coverage or elect reduced coverage in \$50,000 increments up to the maximum of \$400,000. The monthly premium rate for SGLI coverage will **remain** at .065 per \$1,000, regardless of your age. The following table shows the different coverage levels and the premiums that apply at each coverage level:

Coverage Level	Monthly Premium
\$0	\$0
\$50,000	\$3.25
\$100,000	\$6.50
\$150,000	\$9.75
\$200,000	\$13.00
\$250,000	\$16.25
\$300,000	\$19.50
\$350,000	\$22.75
\$400,000	\$26.00

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5. Will the automatic SGLI increase impact Family SGLI?

The automatic increase in SGLI coverage to \$400,000 has no impact on Family SGLI. Family SGLI maximum spousal coverage will remain at \$100,000 or the amount of the member's coverage; whichever is lower, in increments of \$10,000 and dependent coverage remains at \$10,000.

Example: On August 31, 2005, a member has \$50,000 of basic SGLI coverage and \$50,000 of spousal coverage under Family SGLI. On September 1, 2005, the member is automatically covered for \$400,000. The spousal coverage remains at \$50,000.

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6. Will the designation of beneficiaries remain effective?

Existing beneficiary designations remain effective in the same proportion to \$400,000 as the proportion of total benefits such beneficiary was designated to receive under the last valid SGLV 8286. Such beneficiary proportional designations remain effective until a new SGLV 8286 (September 2005 version) is properly completed on or after September 1, 2005.

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7. May married members designate a beneficiary other than their current spouse?

Yes, however, if a married member designates a primary beneficiary for their SGLI coverage other than their current lawful spouse, including an initial election upon becoming eligible for coverage, on or after September 1, 2005, the member's spouse will be informed that the member has made such a designation.

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8. What if a member desires less than the automatic maximum coverage?

If you desire less than the automatic maximum coverage, complete a new SGLV 8286 (September 2005 version, previous versions will not be accepted) indicating the amount of coverage desired (including no coverage if applicable) and submit that election as soon as possible. If you properly complete and submit the form to the Compensation Branch before September 30, 2005, then in September 2005 you will only be liable for the premium associated with the reduced coverage, or no premium if you decline coverage.

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9. Where can the new SGLV Form 8286 be found?

The revised SGLV Form 8286 (September 2005) will be available on the Department of Veterans Affairs Website (www.insurance.va.gov/sgliSite/forms.htm) beginning August 31, 2005. It is a fillable form for which entries can be made on the page, and then downloaded.

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10. What if a member does not make an election to reduce or decline coverage from the \$400,000?

If you do not make an election to reduce or decline coverage from the \$400,000 level before October 1, 2005, you will be charged for the full \$400,000 of coverage for September as well as for any other month in which the level of coverage remains in effect. When a member properly completes and submits SGLV Form 8286 on or after October 1, 2005, to reduce or decline coverage, such reduction is effective the first day of the month after such form is properly submitted. Therefore, the member remains liable for the full premium through the end of the month in which the election was filed.

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11. Where can more information be found about SGLI?

If you have more questions, use one of the following links for answers to [SGLI Frequently Asked Questions](#). You will also find a comprehensive overview of the SGLI program in the [SGLI/VGLI Handbook](#). You may also contact the Compensation Branch at (301) 594-2963.

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