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DECISION

**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

FILE: B-199938

DATE: October 21, 1980

MATTER OF: Jacqueline L. Faike ^{Claim For} - Refund of Insurance Premiums]

DIGEST: Employee of the Forest Service, Department of Agriculture, waived life insurance coverage at time of appointment. Upon transfer to a new position, life insurance premiums were erroneously withheld from her salary. Premiums may be refunded since under applicable regulations employee was never covered by insurance. B-151443, May 17, 1963.

By a letter dated May 12, 1980, Mr. H. Larry Jordan, an authorized certifying officer with the National Finance Center, United States Department of Agriculture, requests an advance decision concerning the claim of Ms. Jacqueline L. Faike for the refund of life insurance premiums which were deducted from her salary due to administrative error.

The record shows that Ms. Faike waived life insurance coverage when she accepted a career conditional appointment with the Forest Service in 1976. She was transferred to a new position in May 1978 at which time deductions for life insurance premiums began to be made from her salary. At Ms. Faike's request the Personnel Office attempted to stop the deductions, but they continued until July 1979.

The certifying officer asks the following questions regarding Ms. Faike's claim:

- "1. Was she insured during the time deductions were made from her salary?
- "2. Should payment of the refund be denied due to the lack of written evidence indicating timely efforts were made to stop the deductions?"

Under the Federal Group Life Insurance Act of 1954, as amended, 5 U.S.C. §§ 8701-8716, the Office of Personnel Management may issue regulations which prescribe the time

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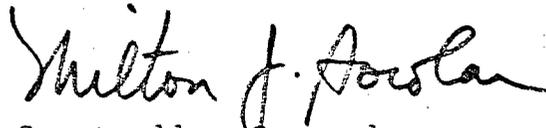
at which and the conditions under which an employee is eligible for life insurance. 5 U.S.C. § 8716(b). Paragraph S2-3e(1) of FPM Supplement 870-1 states:

"(1) A properly executed waiver of regular insurance or a declination of optional insurance, once received in the employing office and made effective, remains in effect until canceled* * * "

In B-151443, May 27, 1963, we permitted the refund of insurance premiums which were erroneously withheld from the salary of a transferred employee who had earlier executed a waiver of insurance coverage. In that case we stated:

"Since a waiver of life insurance is effective until the proper procedures for its cancellation * * * are followed and since [the employee] has never complied with the requirements for such cancellation, he was not covered by the Federal Employees' Group Life Insurance during the period in question and should not have had deductions made from his compensation."

Accordingly, the claimant was not insured and the insurance premiums deducted from Ms. Faike's salary may be refunded, if otherwise proper.



For the Comptroller General
of the United States