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OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 870

RIN 3206-AJ46

Federal Employees' Group Life Insurance Program: Removal of Premiums and Age Bands From Regulations

AGENCY: Office of Personnel Management.

ACTION: Final rule.

SUMMARY: The Office of Personnel Management (OPM) is issuing a final rule to remove the premiums and age bands from the Federal Employees' Group Life Insurance (FEGLI) regulations. This allows OPM to make necessary premium changes on a more timely basis.

EFFECTIVE DATE: November 13, 2003.

FOR FURTHER INFORMATION CONTACT: Karen Leibach, (202) 606-0004.

SUPPLEMENTARY INFORMATION: On April 9, 2003, OPM published a proposed rule in the *Federal Register* (68 FR 17315) to remove the premiums and age bands from the FEGLI regulations. OPM will announce future premium changes in a *Federal Register* notice and will maintain the rates on the FEGLI Web site (www.opm.gov/insure/life). This will simplify the process for making premium changes when necessary and allow for changes to be made in a more timely manner.

We received no comments on the proposed regulatory change.

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.

List of Subjects in 5 CFR Part 870

Administrative practice and procedure, Government employees, Hostages, Iraq, Kuwait, Lebanon, Life insurance, Retirement.

Office of Personnel Management.

Kay Coles James,
Director.

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

PART 870—FEDERAL EMPLOYEES' GROUP LIFE INSURANCE PROGRAM

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

Authority: 5 U.S.C. 8716; subpart J also issued under sec. 599C, Pub. L. 101-513, 104 Stat. 2064, as amended; § 870.302(a)(3)(ii) also issued under sec. 153, Pub. L. 104-134, 110 Stat. 1321; § 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 sec. 7(e), Pub. L. 105-274, 112 Stat. 2419.

Subpart D—Cost of Insurance

■ 2. In § 870.401, revise paragraphs (a), (b)(1), and (d) to read as follows:

§ 870.401 Withholdings and contributions for Basic insurance.

(a)(1) The cost of Basic insurance is shared between the insured individual and the Government. The employee pays two-thirds of the cost, and the Government pays one-third.

(2) When OPM makes any adjustment to the Basic life insurance premium, it will issue a public notice in the *Federal Register*.

(b)(1) During each pay period in which an insured employee is in pay status for any part of the period, the employee's share of the premium must be withheld from the employee's biweekly pay. The amount withheld from the pay of an employee who is paid on other than a biweekly basis must be computed and adjusted to the nearest one-tenth of one cent.

* * * * *

(d)(1) For an annuitant or compensationner who elects to continue Basic insurance and chooses the maximum reduction of 75 percent after

age 65 under § 870.702(a)(2), the annuitant's share of the premium is withheld monthly and the compensationner's share is withheld every 4 weeks. These withholdings stop the month after the month in which the annuitant or compensationner 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) An annuitant or compensationner who elects to continue Basic insurance and chooses either the reduction election of 50 percent or the election of no reduction after age 65 under § 870.702(a)(3) or (4) pays an additional premium for the 50 percent or no reduction election. This additional premium is withheld for each \$1,000 of the BIA. At age 65, the Basic premium will stop, but the annuitant or compensationner must continue to pay the additional premium for either the 50 percent or the no reduction election.

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■ 3. Revise § 870.402 to read as follows:

§ 870.402 Withholdings for Optional insurance.

(a)(1) The insured individual pays the full cost of all Optional insurance. There is no Government contribution toward the cost of any Optional insurance.

(2) Optional insurance premiums are based on 5-year age bands beginning at age 35. The last age band for Option A is age 60+. The last age band for Options B and C is 80+. For the purpose of this subpart, effective April 24, 1999, an individual is considered to reach the next age band the 1st day of the pay period following the pay period in which his/her birthday occurs.

(3) When OPM makes any adjustment to the Optional life insurance premiums, it will issue a public notice in the *Federal Register*.

(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)(1) Subject to the provisions for reemployed annuitants in § 870.707, the

full cost of Optional insurance must be withheld from the annuity of an annuitant the compensation of a compensationner.

(2) The withholdings for Option A stop the month after the month in which an annuitant or compensationner reaches age 65.

(3) For an annuitant or compensationner who elects Full Reduction for any Option B or Option C multiples under § 870.705, the withholdings for those multiples stop the month after the month in which he/she reaches age 65.

(4) For an annuitant or compensationner who elects No Reduction for any Option B or Option C multiples, the withholdings for those multiples continue, as long as he/she remains insured.

(d)(1) For Option A and Option C, the amount withheld from pay, annuity, or compensation paid on other than a biweekly basis must be computed and adjusted to the nearest cent.

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

(e) If an employee's annual pay is paid during a period shorter than 52 work weeks, the employing office must determine the amount to withhold. To do this, it converts the biweekly cost to an annual cost and prorates it over the number of installments of pay regularly paid during the year.

(f) 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, 8714b, and 8714c to OPM for deposit in the Employees' Life Insurance Fund.

■ 4. In § 870.404, revise paragraph (d) to read as follows:

§ 870.404 Withholdings and contributions provisions that apply to both Basic and Optional insurance.

* * * * *

(d) The deposit described in §§ 870.401(f) and 870.402(f) must be made no later than 60 calendar days after the date the employing office determines the amount of the underdeduction that has occurred, regardless of whether or when the underdeduction is recovered by the agency. The agency must determine whether to waive collection of the overpayment of pay, in accordance with 5 U.S.C. 5584, as implemented by 4 CFR

chapter I, subchapter G. However, if the agency involved is excluded from the provisions of 5 U.S.C. 5584, it may use any applicable authority to waive the collection.

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■ 5. In § 870.801, revise paragraph (e) to read as follows:

§ 870.801 Order of precedence and payment of benefits.

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(e) Upon the death of an insured family member, Option C benefits are paid to the employee, annuitant, or compensationner responsible for withholdings under § 870.402(a), except as provided in paragraph (f) of this section.

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[FR Doc. 03-25945 Filed 10-10-03; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

7 CFR Part 301

[Docket No. 02-125-1]

Emerald Ash Borer; Quarantine and Regulations

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Interim rule and request for comments.

SUMMARY: We are quarantining 13 counties in Michigan because of the emerald ash borer and restricting the interstate movement of regulated articles from these quarantined areas. This action is necessary on an emergency basis to prevent the artificial spread of this plant pest from infested areas in the State of Michigan to noninfested areas of the United States. **DATES:** This interim rule was effective October 8, 2003. We will consider all comments that we receive on or before December 15, 2003.

ADDRESSES: You may submit comments by postal mail/commercial delivery or by e-mail. If you use postal mail/commercial delivery, please send four copies of your comment (an original and three copies) to: Docket No. 02-125-1, Regulatory Analysis and Development, PPD, APHIS, Station 3C71, 4700 River Road Unit 118, Riverdale, MD 20737-1238. Please state that your comment refers to Docket No. 02-125-1. If you use e-mail, address your comment to regulations@aphis.usda.gov. Your comment must be contained in the body

of your message; do not send attached files. Please include your name and address in your message and "Docket No. 02-125-1" on the subject line.

You may read any comments that we receive on this docket in our reading room. The reading room is located in room 1141 of the USDA South Building, 14th Street and Independence Avenue SW., Washington, DC. Normal reading room hours are 8 a.m. to 4:30 p.m., Monday through Friday, except holidays. To be sure someone is there to help you, please call (202) 690-2817 before coming.

APHIS documents published in the **Federal Register**, and related information, including the names of organizations and individuals who have commented on APHIS dockets, are available on the Internet at <http://www.aphis.usda.gov/ppd/rad/webrepor.html>.

FOR FURTHER INFORMATION CONTACT: Ms. Deborah McPartlan, Operations Officer, Pest Detection and Management Programs, PPQ, APHIS, 4700 River Road Unit 134, Riverdale, MD 20737-1236, (301) 734-4387.

SUPPLEMENTARY INFORMATION:

Background

The emerald ash borer (EAB) (*Agrilus planipennis*) is a destructive wood-boring insect that attacks ash trees (*Fraxinus* spp., including green ash, white ash, black ash, and several horticultural varieties of ash). The insect, which is indigenous to Asia and known to occur in China, Korea, Japan, Mongolia, the Russian Far East, Taiwan, and Canada, eventually kills healthy ash trees after it bores beneath their bark and disrupts their vascular tissues.

EAB has been found in ash trees in several Michigan counties. Within those counties, EAB has infested thousands of square miles, and we estimate that over 30 million ash trees are currently at risk in affected counties. EAB has already caused an estimated \$11.6 million in landscape industry and wood lot losses, and approximately \$2 million in lost nursery stock sales. Inestimable, though, is the loss of aesthetic, recreational, and habitat-providing values that ash trees provide. Should EAB spread from infested areas in Michigan into forests of the north-central United States, where nursery, landscaping, and timber industries and forest-based recreation and tourism industries are vital components of the economy, the pest's impact would be tremendous. Further, in the affected counties and the areas that surround those counties, ash is a major component of the urban forest because of its natural resistance to other