

# Little Known Facts About FEGLI-It's Time to save money!

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**Below you will a comparison of FEGLI rates Vs a private insurance carrier using four different age groups. The savings are startling and could be used to help add additional money to your TSP, or pay down all of your debt!**

FEGLI has its fair share of "bright points" but generally speaking price is not among them. For instance if you are a female in modest health, you are most likely paying significantly more with FEGLI than you would with private insurance company plans. The reason is because Females on average live longer than Males, yet with FEGLI they are paying the very same rate as their Male Federal Employee counterparts. private insurance company plans don't do that.

The same holds true if you are a relatively healthy non-smoker, whether you are a Male or a Female. With FEGLI non-smokers pay the exact same premium rates as their Federal Employee smoker counter parts, thus they are paying significantly more than they should be. private insurance company plans don't do that, as non-smokers get a significant discount.

If you are in relatively good health, whether you are a Male or a Female, you are probably paying significantly more than you should with FEGLI, because under FEGLI relatively healthy federal employees pay the exact same premium rates as their "not-so-healthy" Federal Employee counterparts. private insurance company plans don't do that, as non-smokers get a significant premium discount.

You are probably not aware of this, but Your Death Benefit with FEGLI can decrease after age 65 by up to 2% a year, even though your premiums are increasing every five years until age 80. After age 50, those premium increases become very significant and for many federal employee, unaffordable. FEGLI rates also automatically go up every five years.

**Below are sample savings at various ages for \$250,000 in coverage:**

Male – Age 50	Savings	Female – Age 50	Savings
Years 1-5	\$1,780	Years 1-5	\$2,355
Years 5-10	\$5,020	Years 5-10	\$5,595
Years 11-15	\$14,455	Years 11-15	\$15,030
Years 16-20	\$17,695	Years 16-20	\$18,270
<b>Total Savings</b>	<b>\$38,950</b>	<b>Total Savings</b>	<b>\$41,250</b>
Male – Age 55	Savings	Female – Age 55	Savings
Years 1-5	\$3,620	Years 1-5	\$4,558
Years 5-10	\$13,055	Years 5-10	\$13,993
Years 11-15	\$16,295	Years 11-15	\$17,223
Years 16-20	\$33,205	Years 16-20	\$34,143

<b>Total Savings</b>	<b>\$66,175</b>	<b>Total Savings</b>	<b>\$69,927</b>
Male – Age 60	Savings	Female – Age 60	Savings
Years 1-5	\$10,263	Years 1-5	\$12,206
Years 5-10	\$13,503	Years 5-10	\$15,446
Years 11-15	\$30,413	Years 11-15	\$32,356
Years 16-20	\$51,863	Years 16-20	\$53,806
<b>Total Savings</b>	<b>\$106,042</b>	<b>Total Savings</b>	<b>\$113,814</b>
Male – Age 65	Savings	Female – Age 65	Savings
Years 1-5	\$8,277	Years 1-5	\$12,810
Years 5-10	\$25,187	Years 5-10	\$29,720
Years 11-15	\$46,637	Years 11-15	\$51,170
Years 16-20	\$66,137	Years 16-20	\$70,670
<b>Total Savings</b>	<b>\$146,238</b>	<b>Total Savings</b>	<b>\$164,370</b>

### **Federal employee question of the day**

Question: If I am eligible to retire at age 57 with 40 years of service, will I be penalized by Social Security for each year under 62?

### **Have you ever had any questions like this?**

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