520 Health Benefits Program

Additional Material:
References to additional material concerning the subject matter in some sections of this chapter are indicated in boxed sections identified as "Reference Notes."

521 Administration and Eligibility

521.1 General

Reference Note:
For additional material concerning the subject matter found in 521.1, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapters S-1 and S-2.

The Office of Personnel Management (OPM) administers the Federal Employees' Health Benefits (FEHB) Program. The FEHB law, policies and regulations issued by OPM, including those governing eligibility and benefits, are controlling in the event of conflict with these instructions.

521.2 Eligible Employees

Reference Note:
For additional material concerning the subject matter found in 521.2 through 521.3, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-4.

The following employees are eligible for health insurance coverage:

a. Officers in charge except "off-the-street" officers in charge as noted under 521.3a.

b. Employees in the regular workforce expected to work at least 6 months each year.

c. Employees with career appointments employed to serve under a cooperative work-study program which:

(1) Will be in existence at least 1 year.

(2) Requires the employee to be in pay status at least one-third of the total time required to complete the program.

d. Student-trainees with career appointments serving under a formal cooperative work-study program which requires them to be in a pay status for at least one-third of the total time required to complete the program.

e. Contract executives and others appointed by contract, provided:

(1) The contract requires personal services and covers a period in excess of 1 year.

(2) The individual is under the supervision and direction of the Postal Service.

(3) Work is performed on a full-time or specified part-time basis and the individual is paid on the basis of units of time.

f. American Nationals employed at postal installations in American Samoa, Micronesia, and Guam.

g. Noncareer employees (i.e., substitute rural carriers, rural carrier associates, postmaster leave replacements) who meet the following criteria:

(1) Have completed 1 year of continuous employment, disregarding breaks in service of 5 days or less.

(2) Have a predetermined tour of duty.

(3) Have sufficient earnings to cover mandatory withholdings and premium deductions.

521.3 Employees Not Eligible

The following employees, with certain exceptions, are not eligible for health insurance:

a. Casual and temporary employees (including “off-the-street” officers in charge) serving under an appointment limited to 1 year or less, *except* as eligible under 521.2. When individuals are hired as casual or temporary employees and they have previously served in a position in the Postal Service or another federal government agency wherein they were covered by the Health Benefits Program, there must be a break of at least 4 days between such service and the casual or temporary appointment.

b. Substitute rural carriers (*except* those transferred from positions in which they were insured without a break in service of more than 3 calendar days), rural carrier associates, and rural carrier reliefs who do not meet the criteria noted in 521.2g.

c. Members of the armed forces.

d. Noncitizens whose permanent duty stations are located outside the United States or the Panama Canal Zone.

e. Employees paid on a contract or fee basis *except* as eligible under 521.2e. Ineligible contract employees include (1) contract job cleaners; (2) special delivery messengers at post offices in Cost Ascertainment Groups (CAG) H through L; (3) clerks-in-charge of rural or contract

stations; (4) mail messengers and all other contract carriers; and (5) clerks and leave replacements at Post Offices in CAG L.

f. Employees whose pay on an annual basis is $350 a year or less or whose salary for the pay period is too small to justify withholdings.

g. Employees expected to work less than 6 months in each year except as provided in 521.2c and d and employees whose employment is of uncertain or temporary duration or for brief intervals.

521.4 Family Members' Eligibility

Reference Note:
For additional material concerning the subject matter found in 521.4 through 521.5, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-11.

521.41 General

521.411 Responsibility of Employing Office

The employing office is responsible for determining whether or not a person is a family member for health benefits purposes for an enrolled employee. It is that person's relationship to the employee which is controlling. The employing office must satisfy itself that an event has occurred which permits enrollment or a change in enrollment under the FEHB program. Documentary evidence may be requested as appropriate (e.g., marriage certificate, birth certificate, divorce decree, etc.). However, it is not necessary that such evidence be retained. The carrier is not notified at the time the original determination is made regarding the eligibility status of an enrollee's family member, but the carrier may request evidence to verify the eligibility of the family member at the time benefits for that family member are claimed.

The employing office is initially responsible for making any decisions about family member status for an enrolled employee. The carrier is not notified at the time of the original determination, but the carrier may, at the time benefits for a family member are claimed, request evidence to verify the eligibility of that family member. In determining whether or not a person is a family member for health benefits purposes, it is the type of relationship between that person and the employee which is the determining factor.

521.412 Family Members Eligible

The employee's spouse and unmarried dependent children under age 22, including legally adopted children and recognized natural (illegitimate) children, are eligible for coverage.

Stepchildren and foster children are eligible if they live with the employee in a regular parent-child relationship.

An unmarried child over 22 who is incapable of self-support because of mental or physical incapacity which existed before the child's 22nd birthday is eligible if the incapacity is established as explained in 526.

521.42 Determining Family Membership Status of Children

521.421 Adopted Children

Applicable state law governs whether or not a child has been adopted. The child is considered adopted for health benefits purposes if the adoption decree is final or if it is interlocutory and state law provides that the rights of the child generally are the same as those of an adopted child.

521.422 Stepchildren

If not contrary to state law, the illegitimate child or adopted child of the employee's spouse is the employee's stepchild. However, a stepchild by a previous marriage of the employee's spouse is not the employee's stepchild. Whether or not an employee's stepchild remains a stepchild and a family member after the employee's divorce from, or the death of, the natural parent is determined in accordance with applicable state law:

a. The majority of states rule that the relationship of the stepchild continues.

b. A minority of states rule that the relationship is terminated by the death of, or divorce from, the natural parent.

c. If there is no authoritative state ruling, the majority rule is followed. This does not affect the requirement, which still must be met, that the stepchild live with the employee in a regular parent-child relationship.

521.423 Foster Children

To be considered a foster child for health benefits' purpose, the child must live with the employee in a regular parent-child relationship, and the employee must be rearing the child as his or her own. The employee need not be related to the child nor have taken steps to legally adopt the child, but there must be an expectation that the employee will continue to rear the child into adulthood.

a. Usually the employee is responsible, in whole or in part, for the child's support. However, a foster parent-child relationship between the child and an employee may exist even though the child receives support from other than the employee (e.g., Social Security payments, support payments from a parent).

b. Common examples of a foster parent-child relationship are the following:

(1) A child's parents have died and the child is living with and supported by a grandparent (or other close relative) who is an employee.

(2) A grandchild is living with an employee who supports the child financially and intends to raise him or her to adulthood. This situation may exist even if one natural parent also lives with the employee and the child.

(3) A child is living with an employee under a preadoption agreement.

(4) A child is in the legal custody of an employee.

Note: A Statement of Foster Child Status must be signed by the employee and filed as a permanent document in the employee's official personnel folder. Forms are available from the personnel services office (see Exhibit 521.423).

c. A child who has been placed in the employee's home by a welfare or social service agency under an agreement whereby the agency retains control of the child or pays for maintenance does not qualify as a foster child as there is no regular parent-child relationship. Similarly, an arrangement under which a child is temporarily living with an employee as a matter of convenience does not qualify the child as a foster child.

521.424 **Child's Temporary Absence on "Living-With" Requirement**

Periods of temporary absence while attending school or for other reasons does not affect the family member status of stepchildren or foster children otherwise considered to be living with the employee in a regular parent-child relationship. Also, an employee's stepchild, or foster child, who lives with the employee at least 6 months a year under a court order directing shared custody may be considered living with the employee in a regular parent-child relationship.

521.425 **Effect of Child's Marriage on Family Member Status**

Married children do not have family member status. If their marriages dissolve, the following rules apply:

a. *Divorce or Death.* A child, under age 22 or incapable of self-support, who is divorced or widowed is considered to be unmarried. Effective January 1, 1979, a child who was married at the time the parent enrolled for Self and Family, or who married after the parent's enrollment became effective, is considered a family member upon divorce or upon the death of a spouse.

b. *Annulment.* Annulment of a marriage of a child under age 22 has the effect of restoring family member status to the child. The restoration of a child's family member status and coverage under a continuing family enrollment dates back to the effective date of the annulment decree in the case of a voidable marriage (i.e., one that was legal when performed but was annulled, e.g., for fraud or lack of consummation). If the marriage was illegal from the beginning (i.e., one of the partners was already married), there is no break in family member status and coverage under a family enrollment continues uninterrupted.

521.5 Relatives Not Eligible

The employee's parents, brothers, sisters, and relatives, except those eligible under 521.4, are not eligible for health benefits coverage as family members even though they may live with and be dependent upon the employee for support.

Exhibit 521.423
Statement of Foster Child Status

UNITED STATES POSTAL SERVICE®

Federal Employees Health Benefits Program
Statement of Foster Child Status

This is to certify that I have been informed of the following requirements for coverage of a foster child in the Federal Employees Health Benefits Program:

5. The child must live with the employee in a regular parent-child relationship.

6. The employee must contribute regular and substantial support for the child.

7. The employee must intend to raise the child into adulthood.

8. The child must be unmarried.

I have provided the Postal Service proof of my regular and substantial support for [__*name*__], who is unmarried and lives with me in a regular parent-child relationship. I intend to continue this relationship and to raise the child into adulthood.

I will immediately notify both my employing office and health benefits plan if the child marries, moves out of my home, or ceases to be financially dependent on me.

[__*signature of employee*__]
[__*date*__]
[__*Social Security number*__]

FILE THE ORIGINAL IN THE EMPLOYEE'S OFFICIAL PERSONNEL FILE

521.6 Former Spouses

> **Reference Note:**
> For additional material concerning the subject matter found in 521.6, refer to:
>
> - *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-17.

521.61 Eligibility Determination

521.611 Requirements

Former spouses of employees are eligible to enroll for health benefits coverage under the FEHB Program if they meet all of the following requirements:

a. Based on a qualifying court order or divorce decree, the OPM has granted the former spouse a portion of the employee's annuity or a survivor benefit.

b. The former spouse has not remarried, if under the age of 55.

c. The former spouse was covered as a family member in an FEHB plan at any time during the 18 months preceding the date of the dissolution of marriage.

d. The application for coverage is filed within 60 days after the marriage is dissolved. (If the application is mailed, the postmark will be used in determining the 60-day time limit.)

521.612 Office of Personnel Management Responsibility

OPM is responsible for determining whether a former spouse is entitled to receive a survivor annuity or a portion of the employee's retirement annuity as a prerequisite to the former spouse's eligibility to enroll in the FEHB program.

The former spouse forwards the request for determination to

OFFICE OF RETIREMENT PROGRAMS
RETIREMENT AND INSURANCE GROUP
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 17
WASHINGTON DC 20044-0017

The request must contain as much information as possible including the employee's name, date of birth, Social Security number, the employee's employing office, and a certified copy of the court order or divorce decree.

OPM will send the former spouse a written decision once it has reviewed all the information provided by the former spouse.

521.613 Employing Office Responsibility

The employing office for which the employee worked at the time the marriage dissolved is responsible for accepting and processing the former spouse's

application for health benefits coverage under the FEHB program. The former spouse's application for health benefits may be in the form of an SF 2809, *Health Benefits Registration Form*, letter, or a written statement to the employing office. The application will preserve the former spouse's FEHB enrollment right until the eligibility determination is made.

After the former spouse provides the employing office with a copy of OPM's decision as required by 521.612, the employing office makes its determination regarding the former spouse's eligibility to enroll under the FEHB Program by verifying whether the requirements stated in 521.611 b and c have been met. In order to make this determination, the employing office:

a. Reviews the SFs 2809 and 2810, *Notice of Change in Health Benefit Enrollment,* in the employee's official personnel folder (OPF) to determine if the former spouse was covered as a family member in an FEHB enrollment at *any* time during the 18 months preceding the date of the dissolution of marriage.

b. Verifies the former spouse's age and, if under age 55, verify that the former spouse has not remarried.

521.62 Documentation of Eligibility

521.621 Eligible for Coverage

If the former spouse meets all the requirements stated in 521.61, and is, therefore, eligible for coverage, the employing office notifies the former spouse in writing of its determination. The notification of eligibility acknowledges the documents on which the employing office based its decision, i.e., proof that the former spouse has not remarried prior to age 55 and that the former spouse was enrolled under the FEHB Program at some point during the 18 months prior to divorce. A premium payment schedule and a statement of the requirements for continued enrollment (Exhibit 523.62) are forwarded to the former spouse with the notification. Refer to 523.6 for registration procedures.

521.622 Ineligible for Coverage

If the employing office determines, after its review, that the former spouse has not met the eligibility requirements for health benefits coverage stated in 521.61, it notifies the former spouse of its determination in writing. The notification of ineligibility must provide the former spouse the right to request reconsideration of its decision in accordance with 521.63. It must also state the reason for the denial, specify the time limit for making the reconsideration request, and include the address for forwarding the request (see 521.63). In cases where an associate office is the employing office, the appropriate district is responsible for determining the former spouse's ineligibility and for preparing the notification denying that individual health benefits coverage.

521.63 Request for Reconsideration

A former spouse denied health benefits coverage by an employing office may request reconsideration of an employing office's refusal to permit him or her to enroll. The request is made in writing and sent within 30 days of the employing office's letter of denial to the area Human Resources address

identified in the denial letter. Requests must include the employee's name and date of birth, reasons for the request, and a copy of the denial letter. The decision rendered by the area office is final.

521.7 Temporary Continuation of Coverage

Reference Note:
For additional material concerning the subject matter found in 521.7, refer to:

- Management Instruction EL-520-91-2, *FEHB: Temporary Continuation of Coverage,* dated March 27, 1991.

Specific individuals who lose entitlement to health benefits may qualify to enroll under Temporary Continuation of Coverage (TCC) Program. This program provides health benefits enrollment opportunities to allow continuation of benefits beyond the 31-day extension period that follows termination. Election is allowed in any plan or option available for which the individual meets the enrollment criteria, if any.

521.71 Eligibility

521.711 Eligible for Coverage

Individuals identified below are eligible to continue enrollment beyond the 31-day extension period allowed following termination of coverage:

a. Employees who separate voluntarily or involuntarily, except those who are separated due to gross misconduct.

b. Annuitants who at time of retirement do not meet the criteria to continue enrollment into retirement.

c. Children who have been covered under an employee or annuitant's enrollment because they met the requirements for unmarried, dependent children and no longer meet these requirements. This group includes children who:

(1) Marry before reaching age 22.

(2) Lose coverage because they reach age 22.

(3) Lose their status as stepchildren or foster children.

(4) No longer meet coverage requirements as recognized natural children.

(5) Are disabled, age 22 and older, and who marry, recover from their disability, or become able to support themselves.

d. Former spouses who are enrolled as a family member in FEHB sometime during the 18 months prior to the end of the marriage, but who are not entitled to coverage under Spouse Equity (see 521.611).

521.712 **Ineligible for Coverage**

Family members are not eligible to continue coverage beyond the 31-day extension period if loss of coverage is due to any of the following:

a. Employee changes to Self Only or cancels coverage.
b. Employee serves 12 months in nonpay status.
c. Annuity is terminated.
d. OWCP benefits are terminated.
e. Employee transfers to a position excluded from FEHB.
f. Widows and/or children do not qualify for survivor benefits.
g. Survivor annuity or children's benefits are terminated.

521.72 Agency Responsibilities

521.721 **Office of Personnel Management Responsibility**

OPM has contracted with the National Finance Center (NFC) to act as the central processing office for the collection of FEHB premiums under the TCC program.

521.722 **National Finance Center Responsibility**

The National Finance Center:

a. Establishes and maintain accounts.
b. Performs billing and collection functions.
c. Handles Open Season for TCC enrollees.

521.723 **Employing Office Responsibility**

The employing office:

a. Notifies separating employees of conversion rights.
b. Notifies children and former spouses of conversion rights.
c. Assists in enrollment in the TCC program.
d. Forwards enrollment information to the NFC.
e. Maintains copies of documents regarding TCC enrollment.
f. Responds to NFC inquiries.

The personnel services office must collect, review, and approve all SF 2809 forms before forwarding the appropriate copies to the NFC for processing.

521.73 Time Limitations for Enrollment

SF 2809 forms to enroll in the TCC program must be received by the personnel services office within the specific time frames noted below:

a. *Former Employees.* Forms must be received within 60 days after the later of the date of separation or the date the SF2810 is received from the Postal Service.
b. *Children — employing office notified by the employee within 60 days of the event causing the loss of coverage:* Forms must be received within 60 days after the later of the date of the qualifying event (birthday,

marriage date, etc.) or the date the notice is received from the Postal Service.

c. *Children — employing office not notified by the employee within 60 days of the event causing the loss of coverage:* Forms must be received within 60 days after the date of the qualifying event.

d. *Former Spouses.* Forms must be received within 60 days of the later of the date of the qualifying event, or the date coverage is lost under Spouse Equity, or, if the employee or spouse notifies the agency within 60 days of the date of the event, the date notice is received from the Postal Service.

521.74 Length of Coverage

Generally, coverage begins on the thirty-second day after the qualifying event that terminates enrollment for children and former spouses, allowing for the free 31-day extension of coverage.

Former employees may continue coverage for up to 18 months from the separation date; children and former spouses may continue coverage for up to 36 months from the date of the qualifying event. Coverage may end sooner if the individual fails to pay premiums, voluntarily cancels coverage, or again acquires coverage under the regular FEHB provisions.

521.75 Premiums

TCC enrollees pay the full premium cost (both the employee and Postal Service shares) plus a 2 percent administrative surcharge. All premiums are made by coupon payment and in accordance with a schedule as directed by NFC.

522 Health Insurance Plans Available

Reference Note:
For additional material concerning the subject matter found in 522, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-3.

522.1 Types of Participating Plans

522.11 Service Benefit Plan

The Service Benefit Plan is a governmentwide plan available to all eligible postal employees no matter where they reside. It is sponsored and administered by the national Blue Cross-Blue Shield organization. Generally, it provides benefits through direct payments to doctors and hospitals.

522.12 Employee Organization Plans

Employee organization plans are sponsored by an employee organization (or union) and are available only to employees who are, or who become, members of the particular sponsoring organization. Generally, they provide benefits by cash reimbursement to either the employee or, at the employee's request, directly to doctors and hospitals. Information concerning membership is obtained from the local representative or directly from the headquarters office of the employee organization (or union).

522.13 Comprehensive Medical Plans

Comprehensive medical plans are available to employees in certain geographic localities only. This plan is either a group-practice plan which provides benefits in the form of medical services by teams of doctors and technicians practicing in their own medical centers, or it is an individual-practice plan which provides direct payments to doctors with whom the plan has an agreement. These plans also provide hospital benefits. The enrollment area for each plan is stated in its brochures.

522.2 Description of Participating Plans

Each plan has a brochure which fully describes the benefits, maximums, limitations, exclusions, and other provisions of the respective plan.

523 Registration

Reference Note:
For additional material concerning the subject matter found in 523 through 523.33, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-5.

523.1 Initial

All employees who initially become eligible must register either to enroll or not to enroll in a plan by completing SF 2809. An employee registering not to enroll is thereafter precluded from enrolling until the occurrence of an event permitting enrollment as stated in 524.52. Except as stated in 523.3, employees must register within 60 days after they become eligible. Each installation has a follow-up system to remind employees of the 60-day deadline for enrolling and to insure that all employees register on a timely basis. Refer to 524.64 for effective date of coverage.

523.2 Employee Declines to Register

When an employee declines to register or registers not to enroll, the employing installation contacts the employee and verifies the employee's intentions within the 60-day registration period, if practicable. If the employee

refuses to register, the employing installation fills out SF 2809 with the employee's name, Social Security number, etc. A notation is made in the Remarks section that the employee was contacted but declined to register.

523.3 Late Registration or Change in Enrollment

523.31 Accepting Late Registration

If an employing office determines that an employee was unable, for causes beyond control, to register to enroll or to change enrollment within the prescribed time limits, it may accept the registration within 60 days after notifying the employee of its determination. The employing office must decide whether or not the employee's reason for not registering on time was "cause beyond control." Refer to 523.32 for examples of causes beyond an employee's control.

523.32 Causes Beyond Employee's Control

An employee's failure to register on time because of an error in judgment or because of failure to read informational material is not considered a cause beyond the employee's control. Some examples of causes beyond an employee's control are:

a. Employee was on extended leave away from home, or detached service in another locality, during the time employee would ordinarily have been able to register.

b. Employing installation failed to give new employee information concerning health benefits coverage.

c. Employing installation officials previously advised the employee that she or he was not eligible to register.

d. Employee formerly covered under someone else's enrollment was not notified of the termination of coverage in a timely manner.

523.33 Procedures for Documenting Late Registration

When an employing office accepts a late registration or change in enrollment, it should record in the "Remarks" section of SF 2809 its determination that the employee was unable to register in a timely manner or to change enrollment due to causes beyond the employee's control, giving the date the employee was notified of the determination. In the case of an employee who is registering to enroll, it is especially important that this information is documented on the SF 2809 for purposes of meeting the "enrolled from first opportunity or last 5 years" requirement for continuing enrollment after retirement. The employee's reason for failing to register on time need not be stated on the SF 2809; however, a memo stating the reason should be attached to the OPF copy of the form.

523.34 Effective Date of Late Registration

> **Reference Note:**
> For additional material concerning the subject matter found in 523.34, refer to:
> - *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-7.

523.341 Belated Open Season Registration

Open season enrollment registrations or enrollment changes which are filed late due to circumstances beyond an employee's control will take effect retroactive to the effective date of the open season change. Refer to 524.61 for information concerning effective date of an open season enrollment or enrollment change.

523.342 Late Registration Other Than Open Season

A late registration (other than open season) may not be made retroactively. When an employing office determines an employee was unable, for causes beyond the employee's control, to register or to change an enrollment within the time limit prescribed, the employing office accepts the employee's registration within 60 days after notifying the employee of the determination. For effective date refer to 524.64.

523.4 Registration by Proxy

> **Reference Note:**
> For additional material concerning the subject matter found in 523.4 through 523.5, refer to:
> - *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-5.

An employing office may permit a representative of an employee to register for the employee if the representative has written authorization to do so. Registration by proxy is appropriate when an employee is unable to register on time (e.g., it is very difficult to reach the employee, or the employee expects to be hospitalized when the next registration opportunity occurs).

When registering for an employee, the representative signs his or her own name on the SF 2809 and adds after it "For [__*name of employee*__]." The employing office attaches the written authorization to the official personnel folder copy of the SF 2809 and writes "Authorization attached" in the Remarks section of the form.

523.5 Registration in an Employee Organization Plan

Employees who are not members of employee organizations may register to enroll in a plan sponsored by an employee organization if they promptly take steps to become members. The employing office need not ascertain whether or not an employee is a member of an organization when accepting the registration form to enroll in the organization plan. The organization verifies membership. However, the employing office ascertains that the employee understands that membership in the organization that sponsors the plan is required.

523.6 Registration by a Former Spouse

Reference Note:
For additional material concerning the subject matter found in 523.6, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-17.

523.61 Registration Form

Former spouses eligible to enroll for health benefits coverage under the FEHB program must register for coverage by completing SF 2809. Former spouses complete Part A of the form using their own name, date of birth, and Social Security number.

The employing office enters the name, date of birth, and Social Security number of the employee in the Remarks section of the SF 2809. The following statement is also included in the Remarks section: "Former spouse is eligible to enroll by authority of the CSR Spouse Equity Act (Public Law 98-615)." An event number is not required in Part C.

All SFs 2809 for former spouses are forwarded to the Retirement Branch, Eagan ASC; they are not sent to the Payroll Office. These instructions apply only to health benefits enrollment forms for former spouses.

523.62 Statement Signed by Former Spouse

Former spouses registering for health benefits coverage are required to sign a statement certifying that the employing office will be notified within 31 days of any event which would terminate eligibility for health benefits coverage. Exhibit 523.62 is used for this purpose.

Exhibit 523.62
Statement by Former Spouse Regarding FEHB Coverage Under the Spouse Equity Act

UNITED STATES POSTAL SERVICE®

Statement by Former Spouse
Regarding FEHB Coverage Under the Spouse Equity Act

I understand that I must notify the office maintaining my health benefits enrollment within 31 days of one or more of the following events and that the occurrence of any one of the events will result in termination of my coverage under the Federal Employees Health Benefits Program:

1. The court order ceases to provide entitlement to survivor annuity or portion of retirement annuity under a retirement system for government/postal employees.
2. I remarry before age 55.
3. I remarry the employee, separated employee, or annuitant on whose service my benefits are based.
4. Employee on whose service the benefits are based dies and no survivor annuity is payable.
5. Separated employee on whose service the benefits are based dies before the requirements for deferred annuity have been met.
6. Employee on whose service benefits are based leaves federal/Postal Service before establishing title to deferred annuity.
7. Refund of retirement monies is paid to the separated employee on whose service the health benefits are based.

[__*signature of former spouse*__]
[__*date*__]

523.63 Employing Office Records on Former Spouse

523.631 Establishing File

The employing office establishes and maintains a health benefits file for the former spouse. The file is kept separate from the personnel records of the employee. The file is established in the name of the former spouse. The name and date of birth of the employee on whose service the former spouse's benefits are based are also noted on the front cover of the file established for the former spouse.

523.632 Contents of File

The following documents are kept in the former spouse's health benefits file:

a. The former spouse's letter (the application) to the employing office requesting enrollment (if the former spouse did not apply in person). If the former spouse applies in person, the employing office keeps a record that the former spouse applied within the 60-day time limit. This can be in the form of a brief statement signed by the former spouse with the receipt date noted by the employing office.

b. A copy of the court order or divorce decree used by OPM to determine eligibility.

c. A copy of OPM's written notification to the former spouse verifying the acceptability of the court order.

d. The employing office's copy of the SF 2809 documenting the former spouse's enrollment, enrollment changes, or cancellation.

e. The employing office's copy of the SF 2810 terminating or transferring the enrollment.

f. Copies of all correspondence relating to the former spouse's enrollment, e.g., the employing office's letter approving or denying eligibility for health benefits coverage along with documents on which the agency's eligibility decision is based; the former spouse's agreement (Exhibit 523.62) to notify the employing office within 31 days of an event that terminates eligibility; employing office's notice of the premium amount and payment schedule; payroll's letter requesting payment of overdue premiums prior to terminating coverage; the documents pertaining to a child's physical disability before age 22; court order terminating entitlement to survivor annuity or a portion of a retirement annuity; letter from the former spouse canceling the enrollment; and OPM's notice that a refund has been made to a former employee, or the former employee had died and no survivor annuity is payable.

523.633 Access to File

Disclosure of the contents of the former spouse's file must be consistent with the provisions of the Privacy Act.

523.634 Disposition of File

The employing office maintains the former spouse's health benefits file for as long as it maintains the enrollment. The file is transferred to OPM through the Retirement Branch of the Eagan ASC, upon the occurrence of one of the following events:

a. The former spouse cancels the enrollment.

b. The employing office terminates the enrollment.

c. The former spouse begins receiving an annuity payment (a portion of the employee's retirement annuity or a survivor annuity).

524 Enrollment

Reference Note:
For additional material concerning the subject matter found in 524 through 524.4, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-6.

524.1 Types of Enrollment

524.11 Self Only

A Self Only enrollment provides benefits only for the enrolled employee. An eligible employee may enroll for Self Only even though the employee has a family.

524.12 Self and Family

A Self and Family enrollment provides benefits for the enrolled employee and eligible family members. It automatically covers all eligible family members even if they are not listed on SF 2809 and even if the enrolled employee may wish to exclude some of them. An employee's failure to list an eligible family member does not deprive the member of the right to benefits under a family enrollment.

Notes:

a. Eligible employees may enroll for Self and Family even though it appears they have no family members.

b. The listing on SF 2809 of a person who is not a family member does not entitle that person to benefits.

c. If an employee lists on SF 2809 a person who is not an eligible family member, the employing office explains to the employee that the person is not eligible for coverage. The ineligible person's name is deleted from SF 2809.

524.2 Husband and Wife Both Eligible to Enroll

No person may be covered by two enrollments. Thus, if both husband and wife are federal or postal employees and are eligible to enroll, one or the other may enroll for Self and Family, or each may enroll for Self Only in the same or different plans.

524.3 Dual Coverage Restriction

524.31 General

The law prohibits individuals from being enrolled in their own name while covered as a family member of another person enrolled either under this program or under the Retired Federal Employees Health Benefits Program.

524.32 Procedures to Be Followed by Employing Office

To avoid illegal dual enrollments, the employing office checks each enrollment to make sure an employee is not covered under two enrollments. If there is a dual enrollment, arrangements are made to terminate one of the enrollments as soon as possible. If the employees involved cannot agree on which enrollment will continue, the employing office or offices make(s) the decision in accordance with the following principles:

a. Coverage of any children who are eligible family members is protected.

b. A family enrollment takes precedence over a Self Only enrollment.

If the person whose enrollment must be terminated in order to avoid or eliminate dual coverage refuses to cancel, the employing office cancels the enrollment identifying the action on SF 2809 as an agency action and explains the reason for the cancellation.

When an enrollment is voided or cancelled in order to eliminate illegal dual coverage, the health benefits premiums deducted from the employee's pay during the illegal enrollment are refunded.

524.4 Correction of Erroneous Enrollment

The enrollment of a person who is excluded from participation in the health benefits program because of the nature of employment, but who was permitted to enroll through error, is terminated or voided (as appropriate) by the employing office as soon as the error is discovered. The employing office makes sure that all employees whose erroneous enrollments are so terminated or voided understand what action has been taken regarding their enrollments, the reasons for, and effect of, such action as the following:

a. *Terminated Enrollments.* Enrollments are terminated if withholdings and contributions were made during the period of erroneous enrollment. Termination is effective at the end of the pay period in which the action to terminate is taken. No adjustments are made for contributions and withholdings which have already been made and the employee, and covered family members are entitled to the full benefits of the plan during the time the employee was erroneously enrolled. The employee is entitled to convert to a nongroup contract, the same as any other employee whose enrollment is terminated.

b. *Voided Enrollments.* If no withholding or contributions were made before the erroneous enrollment was discovered, the enrollment is voided. The employee is responsible for any benefits provided, and the carrier is responsible for recoupment of any claims expense incurred during this period.

524.5 Enrollment/Change in Enrollment

Reference Note:
For additional material concerning the subject matter found in 524.5 through 524.537, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-7.

524.51 General

An employee is given the opportunity to enroll or to make changes in enrollment only as specified herein. The determination of an employee's eligibility to enroll or change enrollment under the FEHB Program is made by the employing office. Therefore, employees are required to provide the employing office with sufficient evidence to justify a request to enroll or change enrollment under the Program.

524.52 Events Permitting

524.521 New Appointment

A new employee eligible for coverage may register to enroll, within 60 days after date of appointment, in any available plan, option, and type of enrollment.

524.522 Change in Employment Status

Employees who have been employed under conditions excluding them from coverage but whose employment later changes so that they are no longer excluded, may enroll in a plan of their choice within 60 days after the change.

524.523 Open Season

During open season, eligible employees who are not enrolled may register to be enrolled, and enrolled employees may change enrollment from one plan or option to another, or from Self Only to Self and Family, or both.

524.524 Reemployment After Break in Service of More Than 3 Days

An eligible employee who is reemployed after a break in service of more than 3 days may register to enroll or not to enroll within 60 days after date of new appointment as though a new employee.

524.525 Return to Duty After 365 Days in Nonpay Status

An employee whose enrollment is terminated because the employee has been in a nonpay status for 365 days may register within 60 days after return to pay status. The employee may enroll in any plan, option, and type of enrollment as though a new employee. An eligible employee who was not

enrolled when nonpay status began is not permitted to enroll upon return to pay status. However, if an event occurred which would have permitted enrollment while in nonpay status (e.g., marriage or open season), the employee's enrollment is accepted as a late registration due to cause beyond the employee's control (see 523.3).

524.526 **Return From Military Service**

a. A nonenrolled employee who entered the military for service not limited to 30 days or less may register to enroll in either option of any plan available within 60 days after return to civilian duty.

b. An enrolled employee whose enrollment ended on entry into military service has the same enrollment reinstated, effective the day of restoration to duty in a civilian position, in the exercise of reemployment rights.

c. The restored employee whose enrollment is reinstated may change enrollment from Self Only to Self and Family or the reverse, or from one option or plan to another, or a combination of these changes, within 60 days after restoration to duty in a civilian position.

524.527 **Loss of Coverage Under Federal Programs**

An employee who loses coverage under any federally-sponsored health benefits program or under the Retired Federal Employees Health Benefits Program may register to enroll under the FEHB within 60 days after termination of coverage for any reason.

524.528 **Eligible for Medicare**

An employee may change enrollment from one option to another of any available plan at any time beginning on the 30th day before the employee becomes eligible for Medicare.

524.529 **Change to Self Only**

The option to change from Self and Family to Self Only at any time during the year is available only to those employees whose health premiums are being paid on an after-tax basis. For those employees with health benefit premiums being paid on a pre-tax basis, a change to Self Only may only be processed during open season or following a qualified life status change. Requests due to qualified life status changes must be received in the personnel services office from the employee within 60 days of the qualifying change. The following list of qualified life status changes is published in the RI70-2IN, *OPM Guide to Federal Employees Health Benefits Plan*:

a. Marriage or divorce.

b. Birth of a child or addition of a qualified dependent.

c. Death of spouse or loss of a qualified dependent.

d. Start or end of your spouse's employment.

e. Change in your spouse's employment status from either full-time to part-time, or the reverse.

f. Start or end of your spouse's unpaid leave of absence.

g. Significant changes in your (or your spouse's) health coverage because of your spouse's employment.

h. Completion of a full pay period in nonpay status, e.g., leave without pay.

For information on effective dates, see 524.6.

524.53 Family Changes Affecting Enrollment

524.531 Change in Marital Status

The following provisions apply:

a. *Criteria.* A change in marital status is any one of the following:

(1) Marriage.

(2) Divorce.

(3) Annulment.

(4) Death of spouse.

b. *Options.* As a result of a change in marital status, an employee may enroll or, if already enrolled, may change the enrollment from Self Only to Self and Family, or from one plan or option to another, or both, during the period beginning 31 days before a change in marital status and ending 60 days after the change. If an enrollment or change of enrollment becomes effective before the anticipated date of change in marital status and the change in marital status does not occur, the action taken is voided.

c. *Coverage for New Spouse.* An employee may provide immediate coverage for the new spouse by filing SF 2809 during the pay period before the anticipated date of the marriage. If the effective date of the change is before the marriage, the new spouse is not eligible for coverage until the actual day of the marriage. An employee may take advantage of this opportunity to change enrollment only once during the period allowed for registration changes in connection with a change in marital status. The employee may not, for example, change from Self Only to Self and Family and then later (but still within the 91-day period) change plans or options.

d. *Name Change.* A female employee who enrolls on this basis before the date of her marriage enters her name in Part A of SF 2809 as “Now: [__*former name*__] will be: [__*married name*__].” An enrolled female employee who changes her enrollment also enters her former name and her new married name. The reason for the change and the date of the marriage is given in Part C of SF 2809.

524.532 Change in Family Status

The following provisions apply:

a. *Criteria.* Generally, a change in family status is an event which adds or decreases the number of family members. Specifically, any of the following events is a change in family status for health benefits purposes:

(1) Birth of a child.

(2) Legal adoption by the enrollee of a child under age 22 or the acquisition of a foster child under age 22.

(3) Entry into, or discharge from, military service of a spouse or of a child under age 22.

(4) Issuance or termination of a court order granting to the enrollee or spouse interlocutory divorce, limited divorce, legal separation, or separate maintenance. Another court order which is considered a change in family status is an order specifically requiring an employee to enroll for his or her children or to provide health benefits protection for them.

b. *Options.* An enrolled employee who has a change in family status (other than a change in marital status) may change enrollment from Self Only to Self and Family, or from one plan or option to another, or both, during the period beginning 31 days before a change in family status and ending 60 days after the change. If husband and wife are each enrolled for Self Only and wish to have a Self and Family enrollment because of a change in family status, one may change to a Self and Family enrollment if the other cancels the Self Only enrollment.

524.533 **Change in Spouse's Employment Status**

The following provisions apply:

a. *General Rule.* When both wife and husband are covered under the FEHB in Self Only enrollment and a change in enrollment status results in one of them losing eligibility for health benefits, the eligible employee may change enrollment from Self Only to Self and Family, or from one plan or option to another, or both, during the period beginning 31 days and ending 60 days after the date of loss of coverage.

b. *Spouse Involuntarily Separated.* An employee who loses coverage under a spouse's nonfederal enrollment for any reason may register to enroll under the FEHB or change an enrollment from Self Only to Self and Family, or from one plan or option to another, or both, during the period beginning 31 days before and ending 60 days after the date of loss of coverage.

c. *Spouse Ends Job to Accompany Reassigned Employee.* An employee whose reassignment is directed out of the commuting area and who loses coverage under a spouse's nonfederal enrollment because the spouse terminates employment to accompany the employee may register to enroll under the FEHB or change an enrollment from Self Only to Self and Family, or from one plan or option to another, or both, during the period beginning 31 days before the date the employment terminates in the old commuting area and ending 180 days after entry on duty at the place of employment in the new commuting area.

524.534 **Employee Loses Coverage as Family Member**

The following provisions apply:

a. *Change to Self Only or Voluntary Cancellation.* An employee enrolled for Self and Family may change enrollment to Self Only or cancel coverage as outlined in 524.529 and 524.71. This action may cause an employee listed as a family member of another employee to lose coverage. If this occurs, the losing employee may enroll for Self Only or Self and Family in either option of any plan, during the period beginning

31 days before and ending 60 days after the change to Self Only or cancellation has been filed.

b. *Other Than Change to Self-Only or Cancellation.* If an employee loses coverage as a family member for any reason other than cancellation or change in the covering enrollment to Self Only, the employee may enroll for Self Only, or for Self and Family, in either option of any plan available beginning 31 days before and ending 60 days after termination of the covering enrollment. This may occur when (1) enrolled spouse or parent enters military service or separates from federal or Postal Service rolls, or (2) employee covered by parent's enrollment becomes 22 or marries.

c. *Death.* If the covering enrollment terminates because of the death of the enrolled spouse or parent, the surviving employee has 60 days in which to enroll. If the employee also becomes a survivor annuitant, the enrollment may continue as that of a survivor annuitant, or the employee may enroll in any plan for which eligible as an employee whose marital status has changed. If the employee elects to enroll as an employee and later is separated, or the employee status otherwise changes so that enrollment must be terminated, the employee may continue the enrollment as a survivor annuitant. In this event, the employing office terminates the enrollment on SF 2810 and advises the survivor annuitant to apply to the Office of Personnel Management for continuation of enrollment as an annuitant.

524.535 Loss of Coverage Under Parent's Nonfederal Plan

An employee who loses coverage under a parent's nonfederal health plan may register to enroll under the FEHB within 31 days after losing coverage under the parent's nonfederal plan for any reason.

524.536 Loss of Dependent Coverage Under Spouse or Other Parent's Nonfederal Plan

An employee whose children lose coverage under the other parent's nonfederal health plan may register to enroll or change enrollment from Self Only to Self and Family, or from one plan or option to another, or both during the period beginning 31 days before and ending 60 days after the children's loss of coverage.

524.537 Employee Reaches Age 19

An employee who is not enrolled may enroll in either option of any plan available within 60 days after becoming 19.

524.54 Family Changes Not Affecting Enrollment

Reference Note:
For additional material concerning the subject matter found in 524.54, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-11.

524.541 General

If a change in the employee's family does not affect enrollment, it is not necessary to report such change to the employing office for health benefits purposes. However, the employee's plan may request this information including evidence of family relationship. Examples of changes that would not affect enrollment are:

a. Birth of a child and the parent already has a family enrollment.

b. Death of the employee's spouse and there are surviving children and the employee has a family enrollment.

c. Attainment of age 22, or marriage of a child of an employee, and there are other children or a spouse still covered under the family enrollment.

524.542 Name Change

If an employee's name changes for any reason, the employing office reports the change to the health benefits plan.

Example: An employee legally changes names or a female enrolled for Self Only marries but retains her Self Only enrollment. If no other changes are involved, the employing office reports the name change on SF 2810.

If a female employee with a Self Only enrollment reports a name change due to marriage, the employing office reminds her of the opportunity to change her enrollment. If she decides to change her enrollment, no SF 2810 is required, but a new SF 2809 is submitted in accordance with 524.531d.

524.6 Effective Date of Enrollment or Enrollment Change

Reference Note:
For additional material concerning the subject matter found in 524.6, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-7.

524.61 Open Season

524.611 New Enrollment

A new enrollment during open season becomes effective on the first day of the first pay period which begins in the next following year and which follows a pay period during any part of which the employee is in a pay status.

524.612 Change of Enrollment

A change of enrollment during open season becomes effective on the first day of the first pay period which begins after January 1 of the following year.

524.62 Change to Self Only

If a request is submitted to change from Self and Family enrollment to Self Only, and the request meets the requirements as identified in 524.51, the effective date is determined as follows:

a. If health premiums are paid on an after-tax basis, the effective date of the change is the first day of the pay period that begins after the completed SF2809 is received in the employing office. However, a retroactive change may be approved to the first day of the pay period following the one in which there were no family members eligible for coverage if the employee is able to satisfy the agency of that fact.

b. If health premiums are paid on a pre-tax basis, the effective date of the change is the first day of the pay period that begins after the employee has advised the agency of the qualified life status change.

524.63 Change to Self and Family to Provide Coverage to Child

The effective date of a change in enrollment made in conjunction with the birth of a child, or the addition of a child as a new family member in some other manner, is the first day of the pay period in which the child is born or becomes an eligible family member. There is no requirement that the enrollee return to pay status before the enrollment change can become effective.

524.64 All Other Enrollments or Changes in Enrollment

All other enrollments or changes in enrollment become effective on the first day of the first pay period which begins after the SF 2809 is received by the employing office and which follows a pay period during any part of which the employee is in pay status.

524.7 Termination of Enrollment

Reference Note:
For additional material concerning the subject matter found in 524.7, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-9.

524.71 Cancellation by Employee

The option to cancel enrollment at any time during the year is available only to those employees whose health benefit premiums are being paid on an after-tax basis. For those employees with health premiums being paid on a pre-tax basis, a cancellation of coverage may only be processed during open season or following a qualified life status change as identified in 524.529. Requests due to qualified life status changes must be received in the personnel services office from the employee within 60 days of the life status change. The SF 2809 used to cancel enrollment due to a life status change becomes effective on the last day of the pay period in which the SF 2809 is received. For information on effective dates, see 524.6.

524.72 Discontinuance of Plan or Part

524.721 Because of Service Limitations

An employee whose enrollment is terminated because of the discontinuance of the plan or option because of new limitations on the service area of, or the geographic area served by, a comprehensive plan may change to either option of any other plan for which eligible and from Self Only to Self and Family. If a plan, or part of it, is terminated, OPM gives special instructions to enrollees regarding their rights and the procedures to be followed.

524.722 Because of Leave Without Pay

The health benefits enrollment of an employee who completes 365 days LWOP (26 pay periods) will be terminated by the Eagan ASC. The Eagan ASC will issue SF 2810, enrollment terminating the coverage; will retain Eagan ASC and carrier copies; and will forward employee and agency copies to the district. If it is determined a termination was improper, the district must promptly take corrective action.

524.73 Membership Termination in Employee Organization

If an employee who is enrolled in an employee organization plan ceases to be a member of the organization, the plan may instruct the employing office to terminate the enrollment, subject to a 31-day temporary extension of coverage. Action to terminate the enrollment for this reason can be initiated

only by the plan, not by the employee. The plan sends a copy of its notice to the employee:

a. On the basis of either the original or the copy of the notice, the employing office terminates the enrollment on SF 2810 with a note in *Remarks* similar to the following:

> Your enrollment was terminated by the plan because you are no longer a member of the sponsoring employee organization. You may enroll in another plan within the period beginning 31 days before and ending 60 days after the date in Part A Item 8.

b. The date in Item 8A is the last day of the pay period in which the plan's notice of termination is received by the employing office.

An employee whose enrollment is so terminated may enroll for Self Only or Self and Family in either option of any available plan during the period beginning 31 days before and ending 60 days after the effective date of termination.

An employee who enrolls within this 90-day period is considered as having been continuously enrolled (for purposes of continuing enrollment after retirement).

524.74 Effective Termination Dates of Employee Enrollment

An employee's enrollment terminates, subject to a 31-day temporary extension of coverage for conversion to a nongroup contract, on the earliest of the following dates:

a. The last day of the pay period in which the employee is separated, other than for transfer or retirement, or because of a compensable disability under conditions entitling the employee to continue the enrollment.

b. The last day of the pay period in which employment status changes so as to exclude the employee from coverage.

c. The last day of the pay period in which the employee dies unless survived by a member of the family entitled to continue enrollment as a survivor annuitant.

d. The last day of the pay period which includes day 365 of continuous nonpay status or, if the employee is not entitled to any further continuation because of having less than 4 consecutive months of pay status since exhausting the 365 days continuation of coverage in nonpay status, the last day of the employee's last pay period in pay status.

e. The day the employee is separated or placed on a leave of absence to enter military service for a period not limited to 30 days or less.

524.75 Effective Termination Dates of Family Member Coverage

The coverage of a member of the family of an employee terminates on the earlier of the following dates:

a. The date on which the enrollment covering the family member is cancelled, changed to Self Only, or terminates (unless the employee dies and there is a survivor annuitant eligible to continue the enrollment).

b. The date on which the family member is no longer considered to be a member of the family for purposes of health benefit coverage.

Example: Coverage of an employee's child terminates on the day the child marries or reaches age 22.

524.76 Temporary Extension of Coverage

524.761 For Enrolled Employee

Coverage for an enrolled employee continues temporarily without cost for 31 days after the enrollment terminates for any reason except voluntary cancellation.

524.762 For Family Member

Coverage for any family member who loses coverage other than by the employee's voluntary cancellation, or by the employee's enrollment change from Self and Family to Self Only, continues for 31 days. (A change to Self Only is considered a cancellation for the family members who were covered under the enrollment, and they are not entitled to temporary extension of coverage for conversion.)

524.763 For Confined Employee or Family Member

An employee or family member who has been granted a 31-day extension of coverage and who is confined to a hospital or other institution for care or treatment on day 31 of the temporary extension of coverage, is entitled to continuation of benefits of the plan during continuance of the confinement up to a maximum of 60 days after the end of the temporary extension.

524.77 Conversion Rights

524.771 Employee's and Family Member's Right to Convert

If an employee's enrollment ends for any reason other than voluntary cancellation, or if the coverage of a family member ends for any reason except when an employee cancels or changes to a Self Only enrollment, the person whose enrollment or coverage is ended has a right to convert, without evidence of insurability, to a nongroup health benefits contract offered by the health benefits plan. A family member who loses coverage because the employee cancels or changes to Self Only enrollment does not have a conversion right.

524.772 Employing Office Responsibility

If an employee's coverage is terminated, the employing office issues SF 2810 as promptly as possible, but no later than 60 days after the date the enrollment terminates due to the limited time allotted for conversion. The employing office is not expected to monitor conversion rights of family

members. It is the responsibility of an employee (or the person who loses status as a family member) to apply in a timely manner for a conversion contract. However, from time to time, employing offices should publish reminders of a family member's right to convert. These reminders can be in the form of bulletins, letters, memos, etc.

524.773 Application for Conversion

Application for conversion (by letter in the case of family members or on the back of the enrollee's copy of SF 2810 in the case of employees) is made to the nearest office of the plan. Normally, the application is made and the first premium paid to the carrier, within 31 days after termination of the enrollment. In the case of a family member, application can be made, and premiums paid, after termination of coverage under the enrollment. If the notice to the employee on SF 2810 is delayed, the employee has until 31 but no later than 91 days after the date in Part I on SF 2810 in which to apply for conversion. In no case is SF 2810 given to an employee later than 60 days after the effective date of termination of enrollment.

524.774 Effective Date of Conversion

A converted contract becomes effective at the end of the 31-day period of temporary extension of coverage even though the employee or a family member may be confined in a hospital on day 31 and, therefore, entitled to a further extension of coverage.

524.775 Benefits and Costs of Conversion Contract

Many plans do not provide the same benefits under the converted nongroup contract as are provided under federal employee group plans. The premium rates are relatively higher, and there is no Postal Service or government contribution to the cost of the nongroup conversion contract. An employee interested in converting is advised to contact the local office of the plan for information about the benefits and cost of its conversion contract.

524.78 Reinstatement of Enrollment After Conversion

524.781 Refund of Premiums

If, on termination of enrollment, an employee obtained a conversion contract and the enrollment later is reinstated retroactive to the effective date of the termination, the employee may obtain a refund of all premiums paid on the conversion contract.

Example: The case of an employee who was removed and later is ordered to duty with full restitution of back pay, or an employee whose application for disability retirement is retroactively allowed. The employee applies in writing to the plan for the refund.

524.782 Adjustment of Difference in Benefits

If the employee received benefits during the time the conversion contract was in effect, the employee is entitled to an adjustment of the difference between the benefits paid by the carrier under the conversion contract and benefits payable under the enrollment in this program.

524.8 Cost of Enrollment

Reference Note:
For additional material concerning the subject matter found in 524.8 through 524.966, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-20.

524.81 Postal Service Contribution

Postal Service contribution for health benefits is adjusted, as required, on the first day of the first pay period of each calendar year and on dates set by the National Agreement or management decision.

524.82 Employee Withholding

The employee's share of the cost for health benefits is the difference between the Postal Service contribution and the total health benefits premium for the plan, option, and type of enrollment selected by the employee. Employees' shares are withheld from their pay each pay period. If the amount of salary for a pay period is not enough to cover the full withholding, no withholding (or Postal Service contribution) is made for that particular pay period. Employees who do not have health benefit premiums withheld as a result of insufficient pay or partial LWOP, however, will have their past-due premiums withheld from their next available pay. Deductions for retirement, FICA, and federal income tax have priority over health benefits withholdings.

524.83 Pre-Tax and After-Tax Premiums

524.831 Tax Benefits

The Postal Service has established the pre-tax payment of health insurance premium contributions as a tax-saving benefit feature for its employees. This feature is sponsored by the Postal Service — it is not a provision of the FEHB Program. FEHB premiums paid on a pre-tax basis are not included in an employee's gross income. This practice reduces the taxable income figure reported and reduces income and Social Security and Medicare taxes paid by employees.

524.832 Career Employees

Career employees have their portion of health benefit premiums automatically paid on a pre-tax basis unless a waiver is submitted by the employee. Form 8201*, Pre-Tax Health Insurance Premium Waiver/ Restoration,* is accepted only during an employee's first opportunity to enroll in health benefits or during the annual FEHB open season period. Once a waiver is processed and deductions are being made on an after-tax basis, a return to a pre-tax basis requires the completion of a second Form 8201 to cancel the waiver and restore the pre-tax status. Requests to cancel pre-tax waivers are accepted only during FEHB open season periods.

524.833 Certain Noncareer and Transitional Employees

Generally, noncareer employee health benefit premiums are withheld on an after-tax basis. However, noncareer employees in the Rural Carrier craft and transitional employees covered by the APWU contract may elect to have premiums paid on a pre-tax basis by completing Form 8202, *Pre-Tax Health Insurance Premium Election/Waiver Form for Noncareer Employees*, at their first opportunity to enroll in health benefits or during the annual FEHB open season periods.

524.834 Further Information

Complete information on pre-tax and after-tax premiums is available at local personnel services offices.

524.84 Health Benefits Schedule

Publication 12, *Health Benefits Open Season Administrative and Processing Information,* is published annually during FEHB Open Season and is available for employee review in all personnel services offices. The publication provides complete cost and plan change information for all participating health plans under the FEHB.

524.9 Enrollments for Former Spouses

524.91 Type of Enrollment

A former spouse eligible to enroll in the FEHB program may elect coverage for Self Only or for Self and Family. A family enrollment covers the former spouse only and any unmarried dependent natural or adopted child of the former spouse and the employee provided the child is not also covered by another FEHB enrollment. An unmarried child must be under age 22 or incapable of self-support because of a mental or physical disability which existed before age 22 (526).

524.92 Effective Date of Enrollment

524.921 New Enrollment

The effective date of a new enrollment for a former spouse is the first day of the pay period beginning more than 30 days after the date the employing office receives the properly completed SF 2809 or an appropriate substitute (i.e., a signed statement with sufficient information to execute enrollment) and satisfactory proof of eligibility.

524.922 Change in Enrollment

The effective date of a change in enrollment is the first day of the pay period after the date the employing office receives the properly completed SF 2809.

524.93 Payment of Premiums

The former spouse is responsible for the total health benefits premium (employee and employer share) for every pay period during which the enrollment continues.

The former spouse is billed in accordance with a schedule established by the Eagan ASC.

If payment is not received by the due date established by the Eagan ASC, the former spouse is notified by certified mail, return receipt requested, that continuation of coverage rests upon payment being made within 15 days after receipt of the notice. The enrollment of a former spouse who fails to remit payment within the specified time frame will be terminated. (Refer to 524.963 for effective date of termination.)

524.94 Opportunities to Change Enrollment

524.941 Change to Self Only

A former spouse may change an enrollment to Self Only at any time. Family members who lose coverage as a result of this change in enrollment are entitled to the temporary extension of coverage for conversion.

524.942 Open Season

During open season, the former spouse may change to another plan, another option, or from Self Only to Self and Family, or may make any combination of these changes. (Refer to 524.91 for eligible family members under a Self and Family enrollment.)

524.943 Other Events Which Permit Changes in Enrollment

The former spouse may make an enrollment change upon the occurrence of any one of the following events:

a. Birth or acquisition of a child. (An enrolled former spouse may register to change enrollment from Self Only to Self and Family, or from one plan or option to another, or both, within the period beginning 31 days before and ending 60 days after the birth or acquisition of a child who is a qualified family member under 524.91.)

b. Move from an area served by a comprehensive medical plan.

c. Termination by an employee organization plan.

d. Termination of plan in which enrolled.

e. On becoming eligible for Medicare.

f. Child's coverage ends. A former spouse may register to change enrollment from Self Only to Self and Family within the period beginning 31 days before and ending 60 days after an eligible child loses coverage under another FEHB enrollment. (Refer to 524.91 for definition of eligible child.)

524.95 Cancellation of Enrollment

A former spouse may cancel enrollment at any time by filing with the employing office a properly completed SF 2809. If a former spouse cancels enrollment, the cancellation becomes effective on the last day of the pay period which the health benefits form canceling the enrollment is received by the employing office. The former spouse and family members, if any, are not entitled to the temporary extension of coverage or the right to convert to an individual contract. A former spouse who cancels an enrollment may not later reenroll.

If a former spouse submits documentation that the cancellation is for the purpose of enrolling in a Medicare-sponsored prepaid health plan under the

Social Security Act, section 1833 or 1876, the cancellation becomes effective on the day before the enrollment under the prepaid health plan takes effect. Documentation must be submitted to the employing office during the period beginning 31 days before and ending 31 days after the prepaid health plan enrollment takes effect. A former spouse who cancels his or her enrollment for this purpose may reenroll in any available plan at any time during the period beginning 31 days before and ending 60 days after disenrollment from the Medicare-sponsored prepaid plan.

524.96 Termination of Enrollment

524.961 Events Terminating Coverage

A former spouse's enrollment terminates, subject to the temporary extension of coverage for conversion, at midnight of the last day of the pay period in which the earliest of the following events occurs:

a. Court order ceases to provide entitlement to survivor annuity or portion of retirement annuity under a retirement system for federal/postal employees.

b. Former spouse remarries before age 55.

c. Former spouse dies.

d. Employee on whose service benefits are based dies and no survivor annuity is payable.

e. Separated employee on whose service the benefits are based dies before the requirements for deferred annuity have been met.

f. Employee on whose service benefits are based leaves federal/postal service before establishing title to an immediate annuity or a deferred annuity.

g. Refund of retirement money is paid to the separated employee on whose service the health benefits are based.

524.962 Temporary Extension of Coverage

OPM may authorize a longer time frame for the temporary extension of coverage for conversion than the 31 days provided if in OPM's judgment the former spouse could not have known that:

a. The employee on whose service benefits are based left the federal/postal service before establishing title to an immediate or deferred annuity; or

b. The separated employee on whose service the benefits are based died before the requirements for deferred annuity were met. In such cases, the right of conversion may be exercised up to 31 days after the employing office's notice of termination (SF 2810). The former spouse must pay the full premium (employee and employer share) during the extended period exclusive of the 31-day period following the notice.

524.963 Termination Due to Failure to Pay Premiums

Failure to pay premiums by a former spouse will result in termination of enrollment. The effective date of a termination due to failure to pay premiums is retroactive to the end of the last pay period for which payment has been timely received. A former spouse whose enrollment is terminated due to

failure to pay premiums may not reenroll and will not be entitled to the temporary extension of coverage for conversion.

524.964 **Termination of Coverage for Family Members**

The coverage of a family member of a former spouse terminates, subject to the temporary extension of coverage for conversion, at midnight of the earlier of the following dates:

a. The day on which the individual ceases to be an eligible family member.

b. The day the former spouse ceases to be enrolled unless the family member is entitled as a survivor annuitant to continued coverage under the enrollment of another.

524.965 **Former Spouse Responsibility**

The former spouse is responsible for notifying the employing office that maintains health benefits enrollment of any event that would terminate eligibility for coverage. (Refer to 523.62.)

524.966 **Employing Office Responsibility**

a. As soon as the former spouse submits proper notification indicating an event that would require termination, the employing office prepares an SF 2810 terminating the enrollment and provides appropriate copies of the SF 2810 to the former spouse. This will enable the former spouse to convert to individual coverage within the 31-day time limit.

b. In cases where OPM is establishing a survivor benefit for the former spouse, the employing office prepares a “transfer out” to OPM of the health benefits enrollment. The effective date of the transfer is the day prior to the commencement date of the annuity. The employing office forwards the entire health benefits file to the Retirement Branch, Eagan ASC. The Eagan ASC is responsible for forwarding the file to OPM.

525 Special Circumstances Affecting Health Insurance Coverage

Reference Note:
For additional material concerning the subject matter found in 525.1, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-18.

525.1 Office of Workers’ Compensation Programs

525.11 Requirements to Continue Enrollment

525.111 **Employee**

An employee’s enrollment (and coverage of family members under a family enrollment), as well as enrollment of surviving beneficiaries, continues when

the employee enters on the compensation rolls of the OWCP provided the employee meets the following requirements:

a. The employee was enrolled (or covered as a family member) in a plan under the health benefits program:

(1) During the 5 years of service (service in which the employee was eligible to be enrolled) preceding the start of compensation, or

(2) During all service since the first opportunity to enroll, or

(3) Continuously for the full period, or periods of service beginning with the enrollment which became effective, no later than December 31, 1964. Service means service in which the employee was eligible to be enrolled. The employee is not required to have been an enrollee continuously but continuously covered by an enrollment.

Example 1: Enrollee was for a time covered as a family member under the Uniformed Services Health Benefits Program.

Example 2: An employee who belatedly enrolled within 60 days after the employing office determined she or he was unable to enroll on time for reasons beyond control may be considered as having been enrolled since the first opportunity (employing office determination).

b. The employee is receiving compensation (OWCP determination).

c. The Labor Department determines that the employee is unable to return to duty (OWCP determination).

525.112 Survivor

Enrollment of a deceased employee continues for surviving family members of a deceased employee if the following requirements are met:

a. Deceased employee was enrolled for Self and Family at the time of death.

b. At least one of the covered family members received compensation as a surviving beneficiary under the Federal Employee's Compensation Act.

525.12 Transfer of Enrollment

525.121 Transfer to OWCP

When OWCP expects to compensate an employee for 6 months or longer, and the employee meets the requirements for continuing enrollment as an OWCP recipient, the enrollment is transferred to OWCP. Until transfer of the enrollment, an employee receiving compensation but no salary is treated for health benefits purposes as any other employee in nonpay status. Enrollment continues for up to 365 days, at which time enrollment is terminated if not eligible to be transferred to OWCP.

525.122 Transfer Back to Employing Office

The enrollment of an employee which was transferred to OWCP is transferred back to the employing office when the employee returns to duty and pay status even if the employee still receives reduced compensation

from OWCP, provided the employee is eligible for continued coverage. If the employee is not eligible for continued coverage, enrollment is terminated.

525.13 Withholding and Contribution by OWCP

525.131 Effective Dates

Whether or not OWCP requests transfer of the enrollment, it makes health benefits withholdings and contributions from the date compensation began, or the date following that on which the employing office withholdings and contributions ceased, whichever is later. No withholdings or contributions are made by OWCP when an employee receives compensation for less than 29 days. The employee, however, will still be responsible for payment of the premiums. Withholdings and contributions cease when an enrollment is terminated because the person has been in nonpay status for 365 days and is not otherwise eligible to continue the enrollment.

525.132 Health Benefits Refund Program

a. *Explanation.* This program is designed to reimburse injured employees for an overdeduction of health benefits premiums by the OWCP. For the first year of compensable disability, OWCP deducts health benefits premiums at the Postal Service rate. Thereafter, the deduction is made at the standard rate applied by the OPM for federal employees. The OPM premium rate is higher than the Postal Service rate. Therefore, postal employees enrolled in a health benefits plan who are in aLWOP status for over 1 year and who are also receiving OWCP compensation may be due a refund for overdeduction of health benefits premiums.

b. *Eligibility for Refund.* In order to be eligible for a health benefits refund, *all of the following criteria must be met for the period of compensable disability:*

(1) Employee must be in a LWOP/injury on duty status. Employees who are separated from the Postal Service are not eligible.

(2) Employee must receive OWCP compensation payments with health benefits premiums deducted at the OPM rate.

(3) A period of a least 1 year must have elapsed since the employee was initially placed on OWCP compensation.

c. *Verification of Eligibility.* The Workers' Compensation Information System Health Benefits Report is to be used to verify information found on Form 202, *Health Benefits Refund Payment Authorization*.

d. *Refunds.* After verifying an employee's eligibility, the following steps must be taken to process the refund:

(1) Injury compensation personnel must initiate PS Form 202, *Health Benefits Refund Payment Authorization,* on a quarterly basis (see Exhibit 525.132). In calculating the amount of refund to be paid, subtract the difference between the OPM health benefits premium rate and the Postal Service rate of the health benefits plan chosen by the employee.

Exhibit 525.132
PS Form 202, Health Benefits Refund Payment Authorization

UNITED STATES POSTAL SERVICE™

Health Benefits Refund Payment Authorization

Instructions

This is to authorize payment to this employee for refund due on excess withholdings on health benefits premium from the OWCP compensation payments.

Name *(Employee/Applicant)*	Social Security Number
Address *(City, State, ZIP + 4)*	MSC Name
Health Benefits Code	Finance Number
Periods Covered	Amount to Be Paid
(Office Use Only)	Signature of Authorizing Official
	Approval by MSC Manager or Designee

PS Form **202**, October 1984

1 - Injury Compensation

(2) Upon completion of PS Form 202, obtain approval of the district manager or designee.

(3) Submit the refund authorization to the appropriate district Finance office for payment using Account Identifier Code 587, Fees for Service — Postal Operations.

(4) File the original PS Form 202 in the employee's injury compensation file. File one copy of this form in the employee's official personnel folder and send two copies to the Finance office.

(5) The Finance office will forward the refund and one copy of PS Form 202 to the employee. One copy of PS Form 202 will be retained by the Finance office for its records.

525.14 Procedures for Continuation of Enrollment

525.141 Reporting to OWCP

When reporting the compensable injury or illness to OWCP, if the employee has been enrolled (a) since the first opportunity or (b) for the 5 years immediately preceding the start of compensation, or (c) from on or before December 31, 1964, certify to this effect by noting the Remarks items of OWCP Form CA-7/20, *Claim for Compensation on Account of Traumatic Injury or Occupational Disease/Attending Physician's Report*, to show the

enrollment code number and the beginning and ending dates of the pay period in which the employee's pay ceased. No documentation of this certification is required to accompany the CA-7/20.

525.142 **Eligibility for Transfer**

If OWCP determines that the employee is in receipt of compensation for at least 6 months, and the eligibility requirements for continuation are met, the enrollment must be transferred. Transfer is accomplished by issuance of Transfer of FEHB Enrollment to OWCP (see Exhibit 525.142).

525.143 **Pending OWCP's Request for Transfer**

If the total period of disability is less than 29 days, no action need be taken on the enrollment. When the total period of disability is more than 29 days, take whichever of the following actions is necessary and appropriate:

a. If the employee is separated, documentation should be obtained from OWCP to verify that compensation will be received for at least 6 months. If so, the transfer is made by issuance of Transfer of FEHB Enrollment.

b. If the employee makes any permissible change in enrollment, notify OWCP by letter as soon as possible of the change and its effective date.

c. If the enrollment has been transferred to OWCP and the employee subsequently is separated, notify OWCP by letter of the separation so that OWCP knows how to dispose of the enrollment if compensation payments cease.

525.144 **Employee Not Eligible to Continue**

For an employee who is enrolled but is not eligible to continue the enrollment with OWCP, take whichever of the following actions is necessary and appropriate:

a. Place a notation in the Remarks item of OWCP Form CA-7/20 that the employee is "Not Eligible to Continue Health Benefits." (OWCP does not require documentation of this notation on the CA-7/20 and handles the compensation claim as usual.)

b. If the employee is separated, terminate the enrollment on SF 2810.

c. If the employee remains on the rolls of the agency in nonpay status, carry the employee up to 365 days (OWCP makes deductions as stated in 525.13). At the end of the 365 days in continuous nonpay status, the Eagan ASC will issue SF 2810.

When an employee not enrolled for health benefits applies for compensation, place a notation in the Remarks item of OWCP Form CA-7/20 that the employee is "Not enrolled for health benefits," and process the compensation claim as usual.

Exhibit 525.142
Transfer of FEHB Enrollment to OWCP

UNITED STATES POSTAL SERVICE®

Transfer of FEHB Enrollment to OWCP

[__*OWCP district office name*__]
[__*address*__]

Date of Request:
OWCP File Number:
Employee's Name:
Social Security Number:
Effective Date of Transfer:

The above-named employee is receiving compensation under the Federal Employees' Compensation Act, and OWCP is withholding premiums for the employee's Federal Health Benefits (FEHB) Program enrollment from the employee's compensation.

Attached are the employee's health benefits enrollment documents that this agency is forwarding to OWCP as specified in the Federal Employees' Health Benefits Handbook (formerly the Supplement 890-1 of the Federal Employees Personnel Manual). The documents include the copies of every SF 2809 and SF 2810 in the employee's official personnel folder, beginning with the date of his or her initial enrollment in the FEHB Program, together with any related documentation (such as medical documentation for a disabled child over age 22). As of the effective date shown above, OWCP is the employing office for this employee.

The reason for this action is:

[ ] This employee is separating (or has separated) on [__*date*__]
[ ] This employee will complete 365 days in nonpay status on [__*date*__]

If you have any questions concerning this transfer, you may contact:

[__*name of contact*__]
[__*telephone number*__]

Sincerely,

[__*signature*__]
[__*name and title of personnel official*__]

525.145 **OWCP Determines Not Eligible**

If OWCP determines that an employee is not eligible to continue health benefits, OWCP notifies the employing office. If the employee remains on the agency rolls in nonpay status, the enrollment continues up to 365 days. (OWCP will make the deductions for the period.) If the employee continues in nonpay status after day 365, the Eagan ASC will issue SF 2810.

525.146 **On LWOP Eight Months, But Enrollment Not Transferred**

The following provisions apply:

a. If an employee has been carried in nonpay status for 8 months, contact the appropriate OWCP office to determine what action should be taken on the enrollment before day 365 of the employee's continuous nonpay status.

b. If OWCP determines that the employee is not eligible to continue enrollment, the Eagan ASC will issue SF 2810, effective on the last day of the pay period which includes day 365 of continuous nonpay status.

c. If OWCP has been making withholdings and does not expect to terminate compensation before day 365 of continuous nonpay status, transfer the enrollment by issuance of Transfer of FEHB Enrollment to OWCP (see Exhibit 525.142).

d. If OWCP has been making withholdings but expects to terminate compensation before day 365 of continuous nonpay status, no health benefits action need be taken at that time. Check on the case again, however, before day 365 of continuous nonpay status and, if compensation will not be terminated by day 365 as OWCP anticipated, transfer the enrollment to OWCP by issuance of Transfer of FEHB Enrollment.

525.147 **OWCP Terminates Compensation**

If OWCP terminates compensation of an employee who meets the requirements in 525.111 but who does not return to pay status, the 365 days on nonpay status for health benefits purposes begin on the day after compensation terminates even though the employee may have been previously carried in a nonpay status while on OWCP rolls. In such cases, OWCP transfers the enrollment back to the employing office, effective on the day after compensation terminates if the enrollment had previously been transferred.

525.148 **Employee Returns to Duty**

The following provisions apply:

a. If an employee receiving compensation returns to duty, note the Remarks Item on OWCP Form CA-3, *Report of Termination of Disability and/or Payment*, to show the beginning and ending dates of the pay period in which the employee returns to work. (If the report is made by telegram instead of CA-3, these dates are included in the telegram.)

b. If the enrollment is not transferred to OWCP, OWCP discontinues withholdings and contributions at the beginning of the pay period in which the employee returned to work. Resume withholdings and contributions beginning that date.

c. If the enrollment is transferred to OWCP, OWCP transfers the enrollment back to the employing office.

525.149 Employee Elects Retirement

If an employee whose enrollment has been transferred to OWCP elects to retire and to receive annuity in lieu of compensation, the Civil Service Retirement System, Office of Personnel Management, will request OWCP to transfer the enrollment. If the employee still is carried on the agency's rolls in a nonpay status, the Eagan ASC notes in Remarks of SF 2806, *Individual Retirement Record*, "Health benefits enrollment transferred to OWCP," and sends the form to the Civil Service retirement system as usual.

OWCP determines whether there are survivors who are eligible and who wish to continue the enrollment and continues, or terminates, the enrollment as appropriate. If the survivors elect to receive survivor annuity in lieu of compensation, OWCP transfers the enrollment to the Civil Service retirement system.

525.2 Employees in Nonpay Status

Reference Note:
For additional material concerning the subject matter found in 525.2, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-8.

525.21 Three Hundred Sixty-Five-Day Enrollment Limitation

The enrollment of an employee (who elects to continue the enrollment) continues while in a nonpay status for up to 365 days except as provided in 525.23. This limitation applies to suspended employees awaiting decision of an appeal of a removal action as well as employees awaiting an OPM decision on an application for disability retirement. If an employee returns to a pay status for at least 4 consecutive months (any 4-month period during which the employee is in pay status for at least part of each pay period), after a period of nonpay status, the employee is entitled to begin a new 365-day period of continued enrollment.

525.22 Payment Required for Periods of Nonpay Status

525.221 Responsibility

If an employee is in a nonpay status for an entire pay period, or if available pay during a pay period does not cover the full amount of the employee's share for the cost of the health benefits enrollment, the employee is responsible for payment of the amount that would have been withheld. If the employee consents to the continuation of the enrollment for a period of time without such withholding from salary, the employee is consenting to the recovery of the full amount due.

525.222 **Procedures to Be Followed by Employing Office**

The employing office acts as follows:

a. As soon as it is determined that an employee will be in a nonpay status, the employing office notifies the employee of the option to continue or terminate the FEHB coverage. PS Form 3111, *Specific Notice to Employees Entering (or Already In) Nonpay Status — Change in Health Benefits Regulations,* is used for this purpose. This form may be obtained from the material distribution center.

b. If the notice and return envelope are mailed, they are deemed to be received by the employee 5 days after the date of the notice. A dated copy of the notice is kept in the employee's official personnel folder. When the employee returns the notice with the signature as requested, the signed notice is filed as a permanent record in the OPF. The date of the postmark is deemed to be the date the notice is returned to the employing office.

c. If the employee requests additional information or requests to cancel the enrollment, the employing office must insure that the employee is provided with an FEHB Guide and an SF 2809 as soon as possible.

d. If the employee elects to terminate the enrollment, the employing office must prepare an SF 2810 to terminate the enrollment. The following statement is to be included in the remarks section: "Employee elected to terminate the enrollment during a period of nonpay status."

e. The enrollment is also terminated on SF 2810 if the employee fails to sign and return the written notice within 31 days of receiving the notice. The following statement is to be included in the remarks section: "Employee did not timely return written notice during a period of nonpay status."

525.223 **Procedures to Be Followed by Employee**

The employee acts as follows:

a. The employee acknowledges receipt of PS Form 3111, completes, signs, and returns the form to the employing office.

b. If the employee does not wish to incur an indebtedness or liability for the health benefits premiums, the employee chooses to cancel or terminate the enrollment.

525.23 Employee Granted LWOP to Serve in Employee Organization

525.231 **Policy**

An employee granted leave without pay to serve as a full-time officer or employee of an employee organization composed primarily of federal/postal employees may elect, within 60 days, to continue health benefits coverage for as long as the employee is in this leave-without-pay status. The election is filed with the installation head within 60 days after the leave without pay begins.

525.232 Procedures to Be Followed by Employing Office

The employing office acts as follows:

a. As soon as LWOP is authorized, the installation head notifies the employee of the right to elect to continue or discontinue health coverage. The employee's election must be in writing.

b. The installation head sets up a follow-up system to remind employees that an election must be filed within the 60-day time limit.

c. If an employee declines to make the election, the employing office contacts the employee, if possible, to urge that an election be made.

d. If, after being contacted, the employee continues to refuse to make the election, documentation is made of all action taken. Failure to make an election is considered an election to not continue the insurance. A copy of the election (or installation head's documentation) is filed in the employee's official personnel folder.

525.233 Procedures to Be Followed by Employee

The employee acts as follows:

a. If the employee elects to continue health insurance coverage, the employee files the election with the installation head within 60 days after LWOP begins. The employee pays (or arranges to have paid) on a current basis both the employee withholding and the Postal Service contributions from the beginning of the LWOP period.

b. If an employee elects not to continue health benefits coverage, enrollment will be cancelled by requiring the employee to initiate an SF 2809.

525.24 Enrolled Employee in Nonpay Status Accepts Temporary Appointment

If employees whose enrollments are being continued because they are on LWOP from their positions accept a temporary position, their first employing office transfers the enrollment to the second employing office. If the employee is still carried in the first position in a LWOP status when the employment in the second position terminates, the enrollment is transferred back to the first employing office. The first employing office then follows the rules in 525.21 to determine the remaining length of time that the employee is entitled to continued coverage while in nonpay status. If, when the second appointment expires, the employee is not then being carried in the first position as an employee, the second employing office terminates the enrollment.

The two employing offices concerned coordinate these actions to assure timely withholdings and contributions. If appropriate, the employing office which first becomes aware of such a situation contacts the other employing office and arranges for transfer of the enrollment.

525.25 Employee in Nonpay Status Pending Removal

The enrollment of an employee who is placed in nonpay status pending a decision of an appeal of a removal action continues for up to 365 days provided the employee agrees to pay the required premiums. Refer to 525.22.

525.251 Removal Upheld

If the removal is upheld by the appeal process, the enrollment is terminated at the end of the pay period in which the decision is rendered or at the end of the 365 days, whichever event occurs first.

525.252 Restored to Duty

If the employee's enrollment is terminated, due either to cancellation or after 365 days of nonpay status, and the employee is subsequently ordered restored to duty on the grounds that the removal was unwarranted or unjustified, the employee may elect either to have the prior enrollment reinstated retroactive to the date it was terminated or to enroll in the plan and option of the employee's choice, the same as a new employee:

a. *Reinstatement of Enrollment.* If the employee elects to have the prior enrollment reinstated retroactively, withholdings and contributions are also made retroactively just as though the erroneous removal had not taken place. The employee's health benefits coverage is considered to have been continuously in effect, and the employee and any covered family members are retroactively entitled to the full benefits of the plan.

b. *New Enrollment.* If the employee elects a new enrollment instead of having the prior enrollment reinstated, the enrollment is effective as stated in 524.64. The employee is not retroactively entitled to benefits from the plan, and no retroactive withholdings or contributions are made. If the employee elects a new enrollment, the period of removal during which the enrollment was not in effect is *not* considered as an interruption to continuous enrollment for purposes of continuing enrollment after retirement provided the employee enrolls within 60 days after the date ordered restored to duty.

525.3 Military Service

Reference Note:
For additional material concerning the subject matter found in 525.3, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-10.

525.31 Entry Into Military Service

525.311 Thirty Days or Less

If an employee enters one of the uniformed services for a period limited to 30 days or less, the enrollment continues without change. Salary deductions and Postal Service contributions also continue as long as the employee is in pay status. The employee is responsible for payment of premiums while in a nonpay status (see 525.22).

525.312 More Than Thirty Days

If an enrollee enters on active duty, or active duty for training, in one of the uniformed services for a period not limited to 30 days, the enrollment may continue for up to 12 months unless the enrollee elects, in writing, to have the enrollment terminated as of the day before entering active duty. The employee will be responsible for the full cost of the employee's share for the cost of the health benefits enrollment. If the employee elects to terminate the enrollment, the employee and the covered family members are entitled to a 31-day temporary extension of coverage during which they may convert.

525.32 Return From Military Service

525.321 Return Not in Exercise of Reemployment Rights

An employee who returns from military duty but not in the exercise of reemployment rights, if eligible for coverage, registers within 31 days after returning to the Postal Service, the same as a new employee. The employee may register to enroll for Self Only or for Self and Family in either option of any plan available.

525.322 Return in Exercise of Reemployment Rights

The enrollment of an employee who exercises reemployment rights on return from military duty is reinstated on SF 2810 effective on the day the employee returns to duty in the Postal Service. The reinstating SF 2810 shows in Remarks that a previously terminated enrollment is being reinstated because of the employee's return from military service. Note that:

a. An employee who returns to civilian duty in the exercise of reemployment rights may change the reinstated enrollment from Self Only to Self and Family, and to either option of any plan available within 31 days after returning to civilian service.

b. Also, if the employee was not enrolled upon entering military duty, the employee may enroll within 31 days after returning to civilian service. The registration becomes effective on the first day of the pay period which begins after the completed SF 2809 is received in the employing office and which follows a pay period during any part of which the employee was in pay status.

525.33 Death During Military Service

If an employee whose Self and Family enrollment was terminated (or suspended in accordance with previous instructions) upon entry into military service for a period not limited to 30 days or less, dies and leaves a family member entitled to annuity, the family member may have the enrollment reinstated effective on the day survivor annuity begins. The survivor also may change the enrollment the same as though the employee were returning to civilian duty in the exercise of reemployment rights.

525.34 Loss of Coverage Under the Uniformed Services Health Benefits Program

An employee who is covered as a spouse or child under the Uniformed Services Health Benefits Program for dependents of military personnel may enroll within the period beginning 31 days before and ending 60 days after termination of this coverage.

525.35 Continuous Enrollment

For purposes of eligibility, to continue enrollment after retirement, an employee whose enrollment was terminated for military service is not considered to have had an interruption in enrollment if it is reinstated when the employee returns to civilian duty, or reenrolls within 60 days after returning to civilian duty.

525.4 Coverage Into Retirement

Reference Note:
For additional material concerning the subject matter found in 525.4 refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-14.

525.41 Employee Requirements for Continuation

An employee must meet the following requirements to continue enrollment into retirement:

a. The employee retires on an immediate annuity (i.e., an annuity which begins to accrue no later than 1 month after the date of final separation).

b. The employee has been enrolled (or covered as a family member) in a plan under the health benefits program:

(1) For the 5 years of service immediately preceding retirement; or

(2) If less than 5 years, for all service since the first opportunity to enroll.

525.42 Procedures to Be Followed by Employing Office

525.421 Determining Eligibility for Continued Enrollment

At retirement, the employing office tentatively determines an employee's eligibility for continued enrollment. OPM makes the final determination of the retiring employee's eligibility to continue enrollment.

525.422 Transferring Enrollment to OPM

When employees retire under conditions which entitle them to continued enrollment as described in 525.41, the enrollment is transferred to the

RETIREMENT AND INSURANCE GROUP
OFFICE OF PERSONNEL MANAGEMENT
1900 E ST NW
WASHINGTON DC 20415-0001

on *Memorandum About FEHB Enrollment,* and automatically continued. (See Exhibit 525.422.)

All SFs 2809 and SFs 2810 in the employee's official personnel folder are sent to the Eagan ASC with the completed Memorandum and any related medical certificates for submission to OPM.

Exhibit 525.422
Memorandum About FEHB Enrollment

UNITED STATES POSTAL SERVICE®

Memorandum About FEHB Enrollment

Date:
To:

Employee's Name:
Social Security Number:
Plan Name and Code:
Effective Date of Action:

The Federal Employees Health Benefits (FEHB) Program enrollment of the above-named employee is being transferred, based on the following circumstance:

[ ] Employment with another agency.
[ ] Retirement.
[ ] Death.
[ ] Receiving OWCP benefits.

As specified in the Federal Employees Health Benefits Handbook (formerly the Federal Employees Personnel Manual Supplement 890-1), attached are copies of every SF 2809 and SF 2810 kept in the employee's official personnel folder, beginning with the date of his or her initial enrollment in the FEHB Program and any related documentation (such as medical documentation for a disabled child over age 22). The Remarks section at the end of this memorandum shows pertinent information about the enrollment that is not readily apparent in the FEHB forms documentation.

If you require additional information about this transfer, you may contact:

[__*name of contact*__]
[__*telephone number*__]

[__*signature*__]
[__*name and title of personnel official*__]

cc: OPF

REMARKS:

_____
_____
_____
_____

525.423 Reinstating Terminated Enrollments

Enrollments terminated as a result of 365 days in nonpay status will be reinstated if the retirement application is approved with annuity commencing before the expiration of the 365 days of nonpay and the employee meets the requirements to continue the enrollment as stated in 525.41.

If the retirement application was filed, as in the case of a disability retirement, and the enrollment was so terminated, the SF 2810 which terminated the enrollment is sent along with all the SF 2809 and 2810 in the employee's official personnel folder to OPM through the Retirement Branch, Eagan ASC.

525.43 Benefits and Cost

If the enrollment continues, the annuitant is entitled to the same benefits as active employees enrolled in the same plan. The government contribution for Postal Service annuitants is the same as that for annuitants of other government agencies covered by this program. The annuitant's share of the enrollment cost is deducted from annuity payments. If the annuity is insufficient for the plan withholdings, enrollees may elect a lower cost plan. OPM will bill enrollees for the health benefits premium if they elect not to choose a lower cost plan.

Withholdings are not required for the period between the end of the pay period in which an employee separates from service and the starting date of an immediate annuity, if later.

525.44 Employee Separates and Subsequently Retires

525.441 Terminating Enrollment

If an enrolled employee who is eligible to retire on an immediate annuity is separated and has not filed an application for retirement with the employing office by the time an SF 2810 is to be prepared, the employing office terminates the enrollment.

Enrollment is terminated when an employee is separated while application for retirement, such as for disability, is pending in OPM.

525.442 Encouraging Conversion to Individual Contract

Employees whose enrollments are terminated are encouraged to convert to an individual contract even though they intend to apply for retirement later or have an application for disability retirement pending. If the retirement application is later approved, the enrollment is reinstated by OPM retroactive to the beginning date of annuity provided they meet all requirements to continue the enrollment, and the carrier of the plan refunds the premium paid for the converted policy based on a written request. An adjustment is made for any benefits received or paid while employees are covered under the conversion contract.

525.45 Reemployed Annuitant

> **Reference Note:**
> For additional material concerning the subject matter found in 525.45, refer to:
> - *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-15.

525.451 Enrolled

The following provisions apply:

a. If an annuitant who is already enrolled under this program is reemployed under conditions which terminate title to annuity, the employing office determines eligibility for continued enrollment during the reemployment under the same criteria that apply to any other employee who transfers enrollment from another payroll office and accepts transfer of, and continues or terminates the enrollment, as appropriate.

b. On separation from the reemployment service, the same procedures that apply to other employees being separated or retired are followed, and the enrollment is transferred to OPM or terminated, as appropriate.

c. If an annuitant who is already enrolled under this program is reemployed under conditions that do not terminate title to annuity, the enrollment as an annuitant continues and is not affected by reemployment.

525.452 Nonenrolled

Annuitants who are not enrolled and are reemployed under conditions which permit coverage register the same as other new employees. If the annuitants register to enroll, they are eligible to continue enrollment on separation from reemployment if they meet all the requirements (including that of retiring on an immediate annuity) that other retiring employees must meet. The immediate annuity requirement is met if annuitants receive a supplemental annuity when separated from the reemployment.

525.453 Reemployed Without Break in Service

The health benefits enrollment of an employee who retires but is immediately reemployed is transferred to OPM even if there is no break between separation and the new appointment.

525.454 Open Season Opportunities for Reemployed Annuitant

A reemployed annuitant who is not enrolled for health benefits may enroll during an open season, the same as any eligible employee. A reemployed annuitant who is enrolled may, in an open season, change enrollment regardless of the type of appointment under which serving. A reemployed annuitant making a change during open season submits SF 2809 to OPM with a letter stating where she or he is employed.

525.5 Death of an Employee

> **Reference Note:**
> For additional material concerning the subject matter found in 525.5, refer to:
> - *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-16.

525.51 Transfer of Enrollment to Eligible Survivor

525.511 Requirements

The enrollment of an employee who dies in service is automatically transferred to eligible survivors provided:

a. The deceased employee was enrolled for Self and Family at the time of death.

b. At least one family member is entitled to an annuity as survivor of the deceased employee. Coverage for all eligible family members continues as long as any of them receives a survivor annuity. If a survivor annuitant is the sole survivor, the Civil Service retirement system automatically changes the enrollment to Self Only.

525.512 Procedures to Be Followed by Employing Office

Upon the employee's death, the employing office makes a tentative determination of the survivor's eligibility to continue the enrollment. Refer to 525.511.

a. *Eligible to Continue Enrollment.* If the survivor is eligible to continue the enrollment, the employing office transfers the enrollment to OPM on Memorandum About FEHB Enrollment.

b. *Not Eligible to Continue Enrollment.* If the survivor is not eligible to continue the enrollment, the employing office terminates the enrollment on SF 2810. Remarks on the SF 2810 should read: "Enrollee died [__*date*__]. No survivors eligible to continue health benefits enrollment."

525.513 Benefits and Cost

If the enrollment continues, the eligible survivors are entitled to the same benefits offered by the plan as active employees enrolled in the same plan. The survivor annuitants' share of the enrollment cost is deducted from their annuity payments. Survivors of FERS employees will be billed by OPM if applicable.

525.52 Enrollment Eligibility Both as an Employee and as a Survivor Annuitant

An eligible employee who has been covered under the family enrollment of a spouse and who, due to the spouse's death, is eligible to continue the enrollment as a survivor annuitant may cancel the enrollment as an annuitant and enroll as an employee on the basis of a change in marital status (e.g., death of spouse). However, if the surviving spouse enrolls as an employee on

this basis and later is separated under conditions not entitling the surviving spouse to continue enrollment, the enrollment is terminated by the employing office. In this event, if still a survivor annuitant, the surviving spouse may apply to OPM for reinstatement of the employee acquired enrollment and request that health benefits deductions be made from the annuity.

If the reinstatement application is received by the Civil Service retirement system:

a. Within 60 days after separation from employment, the enrollment is reinstated retroactive to the day after it was terminated by the employing office.

b. More than 60 days after the separation, the enrollment is reinstated effective on the first day of the month after the month in which the application is received.

525.6 Transfer To or From Overseas Post of Duty

Reference Note:
For additional material concerning the subject matter found in 525.6 through 525.82, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S7-3.

An employee who is transferred from a post of duty within the United States (including the District of Columbia) to a post of duty outside the United States, or the reverse, may enroll or change enrollment. Change of enrollment may be from Self Only to Self and Family or from one plan or option to another, or both, within the period beginning 31 days before leaving the old post of duty and ending 60 days after arriving at the new post of duty.

525.7 Move Outside Service Area of a Comprehensive Plan

An employee enrolled in a comprehensive plan (group or individual practice prepayment plan) who moves outside the service area of that plan may change to any other plan available in the area to which moving and may change options from Self Only to Self and Family. An employee already living outside the service area of the plan who moves farther from the nearest office of the plan in which enrolled may similarly change enrollment. Such a change may be made at any time after the move. The change takes effect on the first day of the pay period after the SF 2809 is received.

525.8 Employment Transfer

525.81 Within Postal Service or To Another Federal Agency

With the exception noted in 525.7, the enrollment of an employee who moves from one postal installation to another within the Postal Service or to an employing office in a federal agency, whether the personnel action is

designated as a transfer or not, continues without interruption provided there is not a break in service of more than 3 days.

An employee enrolled in an employee organization plan who transfers to another agency continues to be enrolled in the plan until either a regular opportunity to change plans (as during an open season) occurs, or until the enrollment is terminated at the plan's request because the employee no longer is a member of the organization.

525.82 Outside Comprehensive Area

If an employee who is enrolled in a comprehensive plan transfers outside the area serviced by the plan, the provisions in 525.7 apply.

525.83 Congressional Office

> **Reference Note:**
> For additional material concerning the subject matter found in 525.83, refer to:
> - *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-8.

525.831 From Postal Service To Senate or House

If an enrolled employee leaves the Postal Service and is employed by the Senate or House of Representatives without a break in service of more than 3 days, the health benefits enrollment is transferred as usual.

525.832 From Senate or House To Postal Service

If an enrolled employee of the Senate or House is employed in the Postal Service without a break in service of more than 3 days, the enrollment is terminated at the end of the month in which the separation from the Senate or House occurs. The Postal Service verifies entitlement to continued benefits and reinstates the enrollment on the first day of the following month.

526 Self-Support Determinations

Reference Note:
For additional material concerning the subject matter found in 526 through 526.4, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-12.

526.1 Physical and Mental Incapacity Requirement

526.11 Incapable of Self-Support

An employee's Self and Family enrollment includes unmarried children over age 22 who are incapable of self-support because of physical or mental incapacity which existed before they reached age 22. A child over 22 years of age is classified as incapable of self-support only if (a) the incapacity can be expected to continue for at least 1 year (b) and the child is not capable, because of the disability, of working at a self-supporting job.

526.12 Capable of Self-Support

A disability such as total blindness or deafness is not in itself qualifying; although it may preclude employment in certain occupations, it would not preclude employment in all occupations or necessarily make a person incapable of self-support.

The onset of a disease before age 22 which does not result in incapacity for self-support until after age 22 does not bring a child within the definition of member-of-family.

526.2 Financial Dependency

526.21 Dependency Requirement

A child incapable of self-support because of mental or physical disability which existed before age 22 must be dependent upon the employee to qualify for health benefits coverage. In addition, a stepchild or foster child incapable of self-support as described above must also live with the employee in a regular parent-child relationship to qualify. The employing office is responsible for determining whether or not financial dependency has been established for health benefits purposes.

526.22 Automatic Dependency

A child is automatically considered to be financially dependent upon the employee if the child is a legitimate child, an adopted child, a stepchild, foster child, or a recognized natural child who lives with the employee in a regular parent-child relationship, or a recognized natural child for whom a judicial determination of support has been obtained.

526.23 Proof of Dependency

An employee who wishes to provide coverage for a recognized natural child who neither lives with the employee in a regular parent-child relationship nor is protected by a court determination of support submits proof of the recognized natural child's dependency. Evidence that the employee makes regular and substantial contributions to the child's support are accepted as proof of the child's dependency. Examples of proof of dependency are:

a. Evidence of eligibility as a dependent child under other state or federal programs.

b. Proof of inclusion of the child as a dependent on the employee's tax returns for previous years;

c. Cancelled checks, money orders, or receipts for periodic payments received from the employee for, or on behalf of, the child;

d. Evidence of goods or services which show regular and substantial contributions.

526.3 Medical Requirement

526.31 Authority

A Postal Service medical officer has authority to determine whether or not a child over age 22 is incapable of self-support because of mental or physical incapacity. The determination is based upon a medical certificate obtained by the employee at the employee's own expense. The medical certificate is submitted to the Postal Service medical officer for a determination. All medical evidence is retained by the medical officer.

526.32 Medical Certificate

526.321 Submission

a. The medical certificate on which the medical officer makes the determination includes the following information:

(1) Name of child.

(2) Nature of disability.

(3) Period of time disability has existed.

(4) Probable future course and duration of disability.

(5) Doctor's name and address.

b. The medical certificate may be submitted to the medical officer at the time of initial enrollment or later. A medical certificate for a child who has been covered in a Self and Family enrollment is submitted at least 30 days before the child attains age 22.

526.322 Time Limitation

The medical certificate for each individual case may be approved for a limited period of time, e.g., 1 year, or it may be approved without time limitation. The health benefits plan is advised of the duration of the approval either in Remarks on SF 2809 or in the letter to the health benefits plan. (See 526.5.)

526.323 **Renewal**

If the medical certificate for a child is approved for a limited period of time, the employing office prepares a follow-up notice and reminds the employee, at least 30 days in advance of the date the certificate expires, to submit either a new certificate to the medical officer or a statement that the certificate will not be renewed. If it is renewed, the health benefits plan is notified of the new expiration date by letter in the same manner.

526.324 **Failure to Renew**

If the employee does not renew a certificate for an incapacitated child over age 22, the child's status as a family member automatically stops. The child is no longer covered, and the employee is so notified.

526.325 **Late Submission**

If an employee submits a medical certificate for a child after a previous certificate has expired or after the child reaches age 22, the medical officer determines whether or not the incapacity existed before the child reached age 22. It if did, and the employee continuously had a Self and Family enrollment, the child is considered to have been family member and to have been covered continuously since age 22.

526.4 Medical Determinations

The employing office obtains the medical determination of the nearest postal medical officer. This medical determination, as provided to the employing office, includes the length of approval of the incapacity (1 year, 2 years, permanent, etc.) The employing office then notifies the health benefits plan of the medical officer's determination.

526.5 Procedures for Notifying the Health Benefits Plan

Reference Note:
For additional material concerning the subject matter found in 526.5, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-13.

526.51 Employing Office

526.511 **Existing Enrollment**

If it is determined that a child is incapable of self-support, the employing office notifies the health benefits plan (through the Eagan ASC) by letter, preferably shortly before the child reaches age 22. The letter identifies the employee by name and by Social Security number. The letter also states the name and the date of birth of the incapacitated child as well as the length of approval of the incapacity.

526.512 New Enrollment

For a new enrollment, the medical officer's determination of incapacity is entered in Remarks on SF 2809.

526.52 Postal Data Center

The Eagan ASC submits a letter to the health benefits plan with SF 2811, *Transmittal and Summary Report to Carrier*.

527 Privacy Act Considerations

527.1 Disclosure

Since health benefits records contain information about individuals, they are handled and disclosed only in accordance with the Privacy Act and implementing instructions.

527.2 Maintenance

An employee's health benefits records and related correspondence are maintained within the Postal Service as follows:

a. In the personnel area as part of the privacy system entitled USPS 120.070, Personnel Records — General Personnel Folders (Official Personnel Folders and records related thereto).

b. In the Eagan ASC as part of the privacy system entitled USPS 050.020, *Finance Records — Payroll System*.

c. In the postal medical facility as part of the privacy system entitled USPS 120.090, Medical Records.

527.3 Privacy Act Requests

527.31 Employees

Employees making formal privacy requests specifically for access to, or update of, health benefits records direct their requests to the head of the employing installation.

527.32 Former Employees

Former employees direct their requests to the nearest Postal Service personnel services office.

527.33 Retired Employees

Retired employees' records are sent to OPM. Retired employees direct their requests to the

EMPLOYEE SERVICE AND RECORDS CENTER
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 45
BOYERS PA 16017-0045

528 Employee Appeals

Reference Note:
For additional material concerning the subject matter found in 528, refer to:

- *Office of Personnel Management Operating Manual: The Federal Employees Health Benefits Handbook for Personnel and Payroll Offices* (formerly *FPM Supplement* 890-1), Subchapter S-2.

528.1 Appeal of Refusal to Allow Enrollment or Change of Enrollment

Employees may request reconsideration of an employing office's refusal to permit them to register to enroll or to change enrollment. The request is made in writing and sent within 30 days of the employing office's letter of denial to the area Human Resource address identified in the denial letter. Requests must include the employee's date of birth, name of plan, reasons for the request, and a copy of the denial letter. The decision rendered by the area office is final.

528.2 Appeal of Claim Denial

528.21 Initial Appeal Rights

528.211 Request for Reconsideration

The appropriate health plan adjudicates claims for payment or service. If a claim (or portion of a claim) or a service is initially denied by a health benefits plan, the plan reconsiders its denial upon receipt of written request for reconsideration from the employee within 1 year of the denial. The written request must state, in terms of applicable brochure provisions, the reasons the employee believes the denied claim or service should have been paid or provided.

528.212 Health Plan Responsibility

The health plan acts as follows:

a. The plan affirms the denial in writing to the employee setting out in detail the reasons, within 30 days after receipt of the request for reconsideration, or pay, or provide the claim or service within such time unless it requests additional information reasonably necessary for a determination.

b. Requests for additional information by the plan specifically identify the additional information required and the reason it is needed. If the information requested is not supplied within 60 days of the request, the plan makes its determination and notifies the employee.

c. When the plan affirms a denial after reconsideration, it provides written notice to the employee of the right to request a review of this determination by OPM.

528.22 Request for Office of Personnel Management Review

528.221 Cause for Request to Review

If a plan either affirms its denial of a claim or if its fails to respond to a written request for reconsideration within 30 days of the request, the employee may submit a written request to the

INSURANCE REVIEW DIVISION
OFFICE OF PERSONNEL MANAGEMENT
PO BOX 436
WASHINGTON DC 20044-0436

for a review to determine whether the plan's denial is in accord with the terms of the contract with the health benefits plan. The request must specifically identify the claim to be reviewed and include a copy of the employee letter to the plan with copies of any correspondence from the plan regarding its denial.

528.222 Time Limit

A request for review is not honored if received by OPM more than 90 days from the date of the plan's affirmation of the denial.

528.223 Authorization for Release of Medical Information

A request for review will not be honored if, upon request by OPM, the employee does not furnish authorization signed by the patient (or person capable of acting for the patient) for the release of medical evidence to OPM.

528.224 Office of Personnel Management Responsibility

a. In reviewing a claim denied by a plan, OPM reviews copies of all original evidence and findings upon which the plan denied the claim and any additional evidence submitted to OPM or otherwise obtained by the plan or OPM. Plans release such evidence and findings to OPM within 30 days of request. Any evidence obtained by OPM in connection with a review of the denied claim is held privileged and confidential and is reviewed only by persons having official need to see it.

b. In reviewing a claim denied by a plan, OPM may request the employee to obtain and submit additional medical or hospital records. OPM may also request a confidential advisory opinion from an independent physician or such other information or evidence as may, in OPM's judgment, be required to evaluate the claim denial. An OPM request for an advisory opinion does not disclose the identity of the claimant or patient, the plan, or any medical institutions or physicians involved in the claim.

c. Within 30 days after all evidence requested by OPM has been received, it notifies the employee and the plan of its findings on the review.