

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, see:

- *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, see:

- *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 that:
 - (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 that 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 Service 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 Member Eligibility**

Reference Note:

For additional material concerning the subject matter found in 521.4 through 521.5, see:

- *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 that is controlling. The employing office must satisfy itself that an event has occurred that 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.

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 that 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 Certification of Foster Child Status must be signed by the employee and filed as a permanent document in the employee's official personnel folder. For a sample certification, 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 do 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

Certification of Foster Children

**Federal Employees Health Benefits Program
Certification of Foster Children**

I have been informed of the following requirements for coverage of a foster child under the Federal Employees Health Benefits Program and/or Option C of the Federal Employees' Group Life Insurance Program:

1. The child must be unmarried and under age 22. (If the child is over age 22, he or she can only be covered if he or she is incapable of self-support because of a disabling condition that began before age 22. I must provide documentation of this to my employing office.)
2. The child must be living with me.
3. The parent-child relationship must be with me, not with the biological parent. This means that I am exercising parental authority, responsibility, and control; I am caring for, supporting, disciplining, and guiding the child; I am making the decisions about the child's education and health care.
4. I must be the primary source of financial support for the child.
5. I must expect to raise the child to adulthood.

I understand that if the child moves out of my home to live with a biological parent, he or she loses coverage and cannot ever again be covered as a foster child unless the biological parent dies, is imprisoned, or becomes incapable of caring for the child due to a disability, or unless I obtain a court order taking parental responsibility away from the biological parent.

This is to certify that [name of child] lives with me; I have a regular parent-child relationship with [name of child], as described above; I am the primary source of financial support for [name of child]; and I intend to raise [name of child] into adulthood.

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

[print name of employee/annuitant] [Social Security number]

[signature of employee/annuitant] [date]

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, see:

- *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, if under the age of 55, has not remarried.
- 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 is 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, and employing office, and a certified copy of the court order or divorce decree.

OPM sends 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 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, *Employee Health Benefits Election Form*, letter, or a written statement to the employing office. The application preserves 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 521.611b and 521.611c 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, verifies 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. An RI 70-5, *Guide to Federal Employees Health Benefits Plans for TCC and Former Spouse Enrollees*, and a statement of the requirements for continued enrollment ([Exhibit 523.62](#)) are forwarded to the former spouse with the notification. See 523.6 for enrollment 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, see:

- 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 family members in FEHB sometime during the 18 months prior to the end of the marriage, but who are not entitled to coverage under the Spouse Equity Act (see 521.611) or who are awaiting approval or disapproval from OPM of entitlement to coverage under the Spouse Equity Act.

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 NFC:

- a. Establishes and maintain accounts.
- b. Performs billing and collection functions.
- c. Handles FEHB 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 local personnel 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 local personnel 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 the Spouse Equity Act, 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, see:

- *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 Service 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 that 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 that 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 that 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, see:

- *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. See 524.64 for effective date of coverage.

523.2 **Employee Declines to Enroll**

When an employee declines to register or waives enrollment, the employing installation contacts the employee and verifies the employee's intentions within the 60-day enrollment period, if practicable. If the employee refuses to enroll, 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 enroll.

523.3 **Late Enrollment or Change in Enrollment**

523.31 **Accepting Late Enrollment**

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

523.32 **Causes Beyond Employee's Control**

An employee's failure to enroll 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 enroll.
- b. Employing installation failed to give new employee information concerning health benefits coverage.
- c. Employing installation officials previously advised the employee that he or she was not eligible to enroll.
- 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 Enrollment**

When an employing office accepts a late enrollment or change in enrollment, it should record in the "Remarks" section of SF 2809 its determination that the employee was unable to enroll 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 enrolling, 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 enroll 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 Enrollment**Reference Note:**

For additional material concerning the subject matter found in 523.34, see:

- *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 FEHB Open Season Enrollment

FEHB Open Season enrollments or enrollment changes that are filed late due to circumstances beyond an employee's control take effect retroactive to the effective date of the open season change. See 524.61 for information concerning effective date of an open season enrollment or enrollment change.

523.342 Late Enrollment Other Than FEHB Open Season

A late enrollment (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 enroll or to change an enrollment within the time limit prescribed, the employing office accepts the employee's enrollment within 60 days after notifying the employee of the determination. For effective date see 524.64.

523.4 Enrollment by Proxy**Reference Note:**

For additional material concerning the subject matter found in 523.4 through 523.5, see:

- *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 enroll for the employee if the representative has written authorization to do so. Enrollment by proxy is appropriate when an employee is unable to enroll on time (e.g., it is very difficult to reach the employee, or the employee expects to be hospitalized when the next enrollment opportunity occurs).

When enrolling 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 **Enrollment in an Employee Organization Plan**

Employees who are not members of employee organizations may 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 enrollment 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 **Enrollment by a Former Spouse**

Reference Note:

For additional material concerning the subject matter found in 523.6, see:

- *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 **Enrollment Form**

Former spouses eligible to enroll for health benefits coverage under the FEHB program must enroll 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 NFC at the following address:

DPRS BILLING UNIT
NATIONAL FINANCE CENTER
PO BOX 61760
NEW ORLEANS LA 70161-1760

523.62 **Statement Signed by Former Spouse**

Former spouses enrolling for health benefits coverage are required to sign a statement certifying that the employing office will be notified within 31 days of any event that will 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

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 federal or Postal Service 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 or 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 does 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.:
 - (1) 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.
 - (2) The former spouse's agreement (Exhibit 523.62) to notify the employing office within 31 days of an event that terminates eligibility.
 - (3) The NFC letter requesting payment of overdue premiums prior to terminating coverage.
 - (4) Documents pertaining to a child's physical disability before age 22.
 - (5) Court order terminating entitlement to survivor annuity or a portion of a retirement annuity.
 - (6) Letter from the former spouse canceling the enrollment; and OPM's notice that a refund has been made to a former employee or that the former employee has 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 the NFC maintains the enrollment. The file is transferred to OPM 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).

If the former spouse does not qualify for coverage under the Spouse Equity Act provisions, the personnel office must keep a file containing the records for at least 1 year from the date of notice stating that he or she did not qualify. Then the contents of the file may either be destroyed or returned to the former spouse.

524 Enrollment**Reference Note:**

For additional material concerning the subject matter found in 524 through 524.4, see:

- *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 Service 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 an individual from being enrolled under his or her 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 that 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 or Change in Enrollment

Reference Note:

For additional material concerning the subject matter found in 524.5 through 524.537, see:

- *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 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 FEHB Open Season

During FEHB Open Season, eligible employees who are not enrolled may 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 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 enroll 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 that would have permitted enrollment while in nonpay status (e.g., marriage or FEHB Open Season), the employee's enrollment is accepted as a late enrollment due to cause beyond the employee's control (see 523.3).

524.526 Return From Military Service

The following provisions apply:

- a. A nonenrolled employee who entered the military for service not limited to 30 days or less may 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 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 FEHB Open Season or following a qualified life status change.

Requests due to qualified life status changes must be received in the local personnel office from the employee within 60 days of the qualifying change. The following list of qualified life status changes is published in the RI 70-2, *Guide to Federal Employees Health Benefits Plans*:

- a. The employee marries (including a valid common law marriage, in accordance with applicable state law), divorces, or legally separates, or his or her marriage is annulled.
- b. The employee adds a qualified dependent (for example, the employee or his or her spouse gives birth to a child, the employee adopts a child, or the employee's dependent now satisfies eligibility requirements).

- c. The employee loses a qualified dependent (for example, the employee or his or her spouse or dependent dies, the employee's child is placed for adoption, or his or her dependent now ceases to satisfy eligibility requirements).
- d. The employee or his or her spouse or dependent has a change in work site or residence.
- e. The employee's spouse or dependent starts or ends employment, an unpaid leave of absence, or a strike or lockout; or has a change in employment status making that person eligible or ineligible for a benefit plan.
- f. A court order, judgment, or decree (resulting from a change in marital status or legal custody) requires the employee to begin providing coverage for his or her child or requires another person to do so.
- g. The employee or his or her spouse or dependent becomes or ceases to be eligible for Medicare, Medicaid, or TRICARE.
- h. The employee begins or ends an unpaid leave of absence.
- i. The employee's spouse or dependent elects to change health coverage under another employer's plan, either based upon a qualified life status change or for a period of coverage that is different from that of the Postal Service, qualifying the employee to eliminate any duplicate coverage.

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 (including a valid common law marriage, in accordance with applicable state law).
 - (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.

- 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 that 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 that 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 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.

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- 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 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 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 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, see:

- *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 will not affect enrollment are:

- a. Birth of a child when the parent already has a family enrollment.
- b. Death of the employee's spouse when there are surviving children and the employee has a family enrollment.
- c. Attainment of age 22 or marriage of a child of an employee when 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, see:

- *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 FEHB Open Season**524.611 New Enrollment**

A new enrollment during FEHB Open Season becomes effective the first day of the first pay period that begins in the following year and that 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 FEHB Open Season becomes effective the first day of the first pay period that 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, a change to Self Only may be made at any time. 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 employee must provide the local personnel office with documentation showing that he or she had a qualified life status change occur within the past 60 days. The effective date of the change is the first day of the pay period that begins after the completed SF 2809 is received in the employing office.

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 the first day of the first pay period that begins after the SF 2809 is received by the employing office and that 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, see:

- *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 paid on an after-tax basis. For those employees with health premiums paid on a pre-tax basis, a cancellation of coverage may only be processed during FEHB 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 local personnel office within 60 days of the life status change. The SF 2809 used to cancel enrollment due to a life status change becomes effective 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) is terminated by the Eagan ASC. The Eagan ASC issues an SF 2810, terminating the coverage; retains Eagan ASC and carrier copies; and forwards 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 for purposes of continuing enrollment after retirement is considered as having been continuously enrolled..

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 that 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 other than the employee's cancellation or change 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 of the employee's cancellation or change 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 directly to the nearest office of the plan. The application must be submitted within 31 days of the termination of enrollment. If the notice to the employee on SF 2810 is delayed, the employee has 31 days from the date of the notice, but no later than 91 days from the termination date, to apply for conversion.

524.774 Late Conversion

If notice is not given within 60 days of termination or the request for conversion cannot be made for reasons beyond the employee's control, the employee can request a late conversion by writing directly to the carrier of the plan. This request must be made within 6 months of the enrollment termination date and must include:

- a. Documentation that the enrollment has terminated (for example, and SF 50 showing separation from service).
- b. Proof that the employee was not notified of the enrollment termination and the right to convert (for example, a letter from the employing office confirming that it did not provide timely notice of the conversion option), and that he or she was not otherwise aware of it.
- c. Proof that the employee was not able to convert because of reasons beyond his or her control.

524.775 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.

524.776 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 obtains 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 is 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 receives benefits during the time the conversion contract is 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, see:

- *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. 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. PS Form 8201, *Pre-Tax Health Insurance Premium Waiver/Restoration*, is accepted during an employee's first opportunity to enroll in health benefits, during the annual FEHB Open Season period, or upon the occurrence of a qualified life status change (see 524.529). 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 PS Form 8201 to cancel the waiver and restore the pre-tax status. Requests to cancel pre-tax waivers are accepted during FEHB Open Season periods or upon the occurrence of a qualified life status change (see 524.529).

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 PS Form 8202, *Pre-Tax Health Insurance Premium Election/Waiver Form for Noncareer Employees*, at their first opportunity to enroll in health benefits, during the annual FEHB Open Season periods, or upon the occurrence of a qualified life status change (see ELM 524.529).

524.834 Further Information

Complete information on pre-tax and after-tax premiums is available at local personnel 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 on the Human Resources web site at blue.usps.gov/cpim/ftp/pubs/pub12.pdf. The publication provides 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 that existed before age 22 (see 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 after the employing office receives the properly completed SF 2809 and OPM's approval of eligibility or at a future date (at the beginning of a pay period) requested by the former spouse.

If the former spouse requests immediate coverage and both the SF 2809 and proof of eligibility are received within 60 days of the date of divorce, the enrollment may be made effective the same day that Temporary Continuation of Coverage (TCC) would otherwise take effect.

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 NFC 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 NFC.

If payment is not received by the due date established by the NFC, 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 is terminated. (See 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 FEHB Open Season

During FEHB 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. (See 524.91 for eligible family members under a Self and Family enrollment.)

524.943 Other Events That 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 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. Becoming eligible for Medicare.
- f. End of child's coverage. A former spouse may 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. (See 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 NFC a properly completed SF 2809. If a former spouse cancels enrollment, the cancellation becomes effective the last day of the pay period that the health benefits form canceling the enrollment is received by the NFC. 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 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 or Postal Service 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 or 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 either of the following:

- a. The employee on whose service benefits are based left the federal or postal service before establishing title to an immediate or deferred annuity.
- 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 NFC, which maintains health benefits enrollment, of any event that will terminate eligibility for coverage. (See 523.62.)

524.966 **National Finance Center Responsibility**

The NFC acts as follows:

- a. As soon as the former spouse submits proper notification indicating an event that will require termination, the NFC prepares an SF 2810 terminating the enrollment and provides appropriate copies of the SF 2810 to the former spouse. This enables 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 NFC 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.

525 Special Circumstances Affecting Health Insurance Coverage

Reference Note:

For additional material concerning the subject matter found in 525.1, see:

- *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 during one of these periods:
 - (1) During the 5 years of service (service in which the employee was eligible to be enrolled) preceding the start of compensation.
 - (2) During all service since the first opportunity to enroll.
 - (3) Continuously for the full period or periods of service beginning with the enrollment that 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 to have been 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 he or she was unable to enroll on time for reasons beyond his or her 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 the employee is not eligible to be transferred to OWCP.

525.122 **Transfer Back to Employing Office**

The enrollment of an employee who 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, is still 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**

The following provisions apply:

- 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 Service employees enrolled in a health benefits plan who are in an LWOP status for over 1 year and who are also receiving OWCP compensation may be due a refund for overdeduction of health benefits premiums.

- Exhibit 525.132
PS Form 202, Health Benefits Refund Payment Authorization

ELM 17.11, July 7, 2005

- (2) Upon completion of PS Form 202, obtain approval of the district manager or designee.
- (3) Complete PS Form 8230, *Authorization for Payment*, and submit it for payment, with the refund authorization as support, to the Scanning and Imaging Center, using General Ledger Account (GLA) 52427, Miscellaneous Services.
- (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 one copy to the employee.

The Eagan Accounting Services Center (ASC) will forward the refund to the employee.

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, (b) for the 5 years immediately preceding the start of compensation, or (c) from on or before December 31, 1964, injury compensation personnel 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, whichever of the following actions is necessary and appropriate is taken:

- a. If the employee is separated, documentation must 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, OWCP must be notified 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, OWCP must be notified by letter of the separation so that OWCP knows how to dispose of the enrollment if compensation payments cease.

525.143

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Exhibit 525.142

Transfer of FEHB Enrollment to OWCP**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*]

525.144 Employee Not Eligible to Continue

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

- a. A notation is placed 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, the enrollment is terminated on SF 2810.
- c. If the employee remains on the rolls of the agency in nonpay status, the employee is carried 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 issues SF 2810.

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

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 makes the deductions for the period.) If the employee continues in nonpay status after day 365, the Eagan ASC issues SF 2810.

525.146 On LWOP Ten Months, But Enrollment Not Transferred

The following provisions apply:

- a. If an employee has been carried in nonpay status for 10 months, the appropriate OWCP office is contacted 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 issues SF 2810, effective the last day of the pay period that 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, the enrollment is transferred 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. The case must be checked on again, however, before day 365 of continuous nonpay status and, if compensation will not be terminated by day 365 as OWCP anticipated, the enrollment is transferred 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 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, the beginning and ending dates of the pay period in which the employee returns to work are noted in the Remarks Item on OWCP Form CA-3, *Report of Termination of Disability and/or Payment*. (If the report is made by telegram instead of CA-3, these dates are included in the telegram.)
- b. If the enrollment was not transferred to OWCP, OWCP discontinues withholdings and contributions at the beginning of the pay period in which the employee returned to work. Withholdings and contributions are resumed beginning that date.
- c. If the enrollment was 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, requests 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, see:

- *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.

525.223

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- 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. If the employee fails to sign and return the written notice, the enrollment is continued and the employee is expected to pay his or her portion of the premiums due.

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 or Postal Service employees may elect, within 60 days, to continue health benefits coverage for as long as the employee is in this LWOP status. The election is filed with the installation head within 60 days after the LWOP 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 is cancelled by requiring the employee to initiate an SF 2809.

525.24 **Enrolled Employee in Nonpay Status Accepts Temporary Appointment**

If an employee whose enrollment is being continued because he or she is on LWOP from his or her position accepts a temporary position, his or her first employing office transfers the enrollment to the second employing office. If the employee is still carried in the first position in an 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 ensure timely withholdings and contributions. If appropriate, the employing office that 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. See 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, see:

- *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 is 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, enrolls within 31 days after returning to the Postal Service, the same as a new employee. The employee may 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 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 enrollment becomes effective the first day of the pay period that begins after the completed SF 2809 is received in the employing office and that 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 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 see:

- *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 that 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 for either of these periods:
 - (1) For the 5 years of service immediately preceding retirement.
 - (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 the employee's 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 that entitle them to continued enrollment as described in 525.41, the enrollment is transferred on *Memorandum About FEHB Enrollment* to:

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

It is 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.

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525.422

Exhibit 525.422

Memorandum About FEHB Enrollment**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 are reinstated if the retirement application is approved with annuity commencing before the expiration of the 365 days of nonpay and if 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 that terminated the enrollment is sent along with all the SFs 2809 and SFs 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 bills 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 the employees 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, see:

- *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 that 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 that permit coverage enroll the same as other new employees. If the annuitants 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 **FEHB Open Season Opportunities for Reemployed Annuitant**

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

525.5 **Death of an Employee****Reference Note:**

For additional material concerning the subject matter found in 525.5, see:

- *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 (see 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 are 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 annuitant- or survivor-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 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, see:

- *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) that moves outside the service area of that plan may change to any other plan available in the area to which he or she is moving and may change options from Self Only to Self and Family. An employee already living outside the service area of the plan that 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 Service installation to another within the Postal Service or to an employing office in a federal agency, whether the personnel action is

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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 FEHB 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, see:

- *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, see:

- *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 that 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 does not preclude employment in all occupations or necessarily make a person incapable of self-support.

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

526.2 Financial Dependency**526.21 Dependency Requirement**

A child incapable of self-support because of mental or physical disability that 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, a foster child, 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 that 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. Submission requires the following:
 - 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. If it 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 Service 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, see:

- *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 Egan ASC as part of the privacy system entitled USPS 050.020, *Finance Records - Payroll System*.
- c. In the Postal Service 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 local personnel office.

527.33 Retired Employees

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

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, see:

- *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 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 it fails to respond to a written request for reconsideration within 30 days of the request, the employee may submit a written request for a review to determine whether the plan's denial is in accord with the terms of the contract with the health benefits plan to:

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

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 is not 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

OPM acts as follows:

- 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.