

**Federal Employee Health Benefits (FEHB)  
Modification of Eligibility for Employees on Temporary Appointments**

**FAQs for Supervisors and Employees**

**Eligibility and Notification of Enrollment Questions**

Q: Are all temporary, seasonal, and intermittent employees who are expected to work at least 130 hours/month and on a temporary appointment expected to last 90 days or more eligible for FEHB coverage?

A: Yes. Employees are eligible for FEHB at the start of their appointment as long as they are expected to work 130 hours per calendar month for at least 90 days. Eligibility is based on the expectation of “total hours in pay status including expected overtime hours.

Q: In 5 C.F.R 890.102, it states, “If the employing office expects the employee to work at least 90 days, the employee is eligible to enroll.” What does the phrase, “expected to work at least 90 days,” mean?

A: The phrase “expected to work at least 90 days” means at least 90 days in a row. Federal holidays and weekends are also included in the 90 consecutive days. This definition is based on IRS regulations.

Q: Can FEHB coverage under this proposal qualify toward the 5-year rule of continuous coverage prior to retirement? When does eligibility start?

A: The 5-year rule of continuous coverage eligibility rules apply for all FEHB enrollees. The 5-year rule of continuous coverage eligibility begins when the coverage starts.

Q: If an appointment is not to exceed (NTE) one year, but terminates prior to 90 days (due to lack of work/funds etc...), what will happen to the insurance?

A: Once an employee is enrolled, coverage will continue, regardless of his or her actual work schedule or employer expectations in subsequent years, unless:

- 1) The employee separates from Federal service;
- 2) Receives a new appointment (in which case eligibility will be determined by the rules applicable to the new appointment); or
- 3) Exceeds 365 days in non-pay status in accordance with 5 C.F.R. 890.303(e) (subject to extension, if applicable, for qualifying leave without pay as defined in the rule). Here, the employee separated from service, so FEHB procedures related to separation would apply.

Q: Is notification only extended to employees in an active pay status?

A: Yes. Notification should be extended when an employee enters an active pay status and eligibility has been determined.

Q: The rule becomes effective 11/17/2014. Can we begin offering coverage to those identified as immediately eligible on 11/17/2014 with a 60-day enrollment period?

A: Notification of coverage should be offered no later than January 2015.

Q: Can employees who were initially not eligible to enroll because they were not expected to work 90 days, be retroactively provided an opportunity to enroll if their appointment extends to 90 days or more?

A: The employee will be provided an opportunity to enroll, but the enrollment opportunity will be prospective unless there has been an error by the employing agency. Effective dates will be based on 5 C.F.R. § 890.301 (the 1<sup>st</sup> day of the 1<sup>st</sup> pay period that begins after the date the employing office receives an appropriate request and that follows a pay period any part of which the employee is in pay status).

Q: Appointments less than 60 days are not eligible for FEHB. However, if the appointment is extended for 30 additional days, will the employee be eligible on the 90th day worked?

A: If the employing office's expectation changes and the employee is expected to work for at least 90 days or more, that individual is eligible to enroll upon notification by the employing office of the extension of the appointment.

### **Part-Time and Intermittent Employee Questions**

Q: If a part-time or intermittent employee that usually works 130 hours or more in a month is covered by FEHB, but works less than 130 hours unexpectedly the next month, what happens to the employee's coverage?

A: Once an employee is enrolled under the rule, eligibility will not change, regardless of his or her actual work schedule or employer expectations in subsequent years, unless:

- 1) The employee separates from Federal service;
- 2) Receives a new appointment (in which case eligibility will be determined by the rules applicable to the new appointment); or
- 3) Exceeds 365 days in non-pay status in accordance with 5 C.F.R. 890.303(e) (subject to extension, if applicable, for qualifying leave without pay as defined by the rule.

Q: Will employees covered under the Part-time Career Act working 30 or 31 hours per week continue to pay a higher portion of the government share when those covered under this new rule do not?

A: Yes. Please note the Part-time Career Act excludes employees on temporary or intermittent work schedules. Though employees are temporary or possibly intermittent, newly-eligible employees meet the IRS full time standard.

Q: Does a temporary part-time employee who is expected to work less than 30 hours/week (total less than 130 hours/month) continue to fall under the current rules for temporary hire health benefit eligibility (ineligible until reaching one year of service, then can elect coverage but must pay the full government share of the premium in addition to the employee share) unless he/she later becomes eligible under the new rules?

A: These employees continue to be eligible for FEHB after one year of current continuous employment and will continue to pay the full FEHB premium.

### **Leave Without Pay (LWOP) Questions**

Q: For permanent seasonal employees, is the expectation of working at least 130 hours/month determined only for the periods when they are expected to be in pay status, or is it for each month during the entire year?

A: The regulation refers to the expectation of “total hours in pay status (including overtime hours) plus qualifying leave without pay hours to be at least 130 hours per calendar month” for at least 90 days.

Q: An individual who works as a seasonal or temporary employee for more than 130 hours per month and over 90 days is enrolled in FEHB. Instead of terminating the employee’s appointment, the employee is placed into an intermittent work schedule. If the employee does not actually work, what will the status of the employee’s FEHB coverage be? Would the agency still have to pay Agency contributions towards his FEHB while he is in intermittent or non-pay status?

A: If the employee is placed into a LWOP status, the employee retains FEHB, and FEHB LWOP rules apply. LWOP rules for FEHB coverage have not changed and apply to these employees.

### **Qualifying Life Event (QLE) Questions**

Q: If an employee has declined to enroll in FEHB during the initial enrollment period, will existing QLE rules or FEHB Open Season rules still apply to this employee?

A: Existing QLE rules apply. If the employee is still in an active pay status during the next Open Season and meets eligibility requirements, he or she can enroll at that time.

## General Questions

Q: Does premium conversion apply? Are these benefits pre-taxed automatically?

A: Premium conversion continues to be available for these enrollees and they will be automatically enrolled in premium conversion unless they opt out as with all FEHB enrollees.

Q: Currently, temporary employees that have worked 1 year are eligible for coverage, but pay the full rate (employee and Government share). On January 1, 2015 are they provided an opportunity to enroll in FEHB and will they continue to pay the full-time rate?

A: If currently covered temporary employees meet the new eligibility requirements, they should receive the government contribution, but they will not be extended coverage until the employee is in an active pay status.

Q: Will the Guides to Federal Benefits (RI 70-1 and RI70-8) be updated? Will the SF-2809 be revised?

A: The Guide and the SF 2809 are currently being updated, but will not be updated prior to January 1, 2015.

Q: Is a conversion a "New Appointment?"

A: In most cases, yes, a conversion is a new appointment. Some examples include, but not limited to:

1) An employee on a term appointment is selected for a permanent position. The employee is placed on a new appointment, and the Guide to Processing Personnel Actions (GPPA) codes the action as a conversion because the employee is currently on the agency's rolls; or

2) An employee on an excepted service appointment is selected for a competitive service position. The employee will be placed on a new appointment, and the GPPA codes the action as a conversion because the employee is currently on the agency's rolls. However, there are times when the appointment authority used for the initial appointment includes a provision for conversion from the excepted service to the competitive service, such as a VRA appointment. In such cases, the GPPA will indicate that the action is a conversion, but the employee is not placed on a new appointment.

Q: Are these employees eligible for TCC?

A: Yes. Temporary Continuation of Coverage applies the same as for all FEHB enrollees.

## Rule Charts

Temporary: Expected to be in pay status* 130+ hours per month (including overtime)		
If	And	Then
on initial appointment	expected to work at least 90 days	Eligible
on initial appointment	not expected to work 90 days	Not eligible
while on current appointment	expected number of days changes to more than 90 days	Eligible

Pathway Students - Expected to be in pay status* 130+ hours per month (including overtime)		
If	And	Then
Career Intern	expected to be on appointment for more than a year	Eligible under 5 CFR 890.102(c)(2)
Career Intern	expected to be on appointment less than one year and more than 90 days	Eligible under this rule
Career Intern	expected to be on appointment less than 90 days	Not eligible
Intern NTE	expected to work at least 90 days	Employee eligible
Intern NTE	expected to work less than 90 days	Not eligible
Intern NTE	Expected number of days changes to more than 90 days	Eligible

**Seasonal: Expected to be in pay status\* 130+ hours per month (including overtime)**

If	And	Then
on initial appointment	Expected to work at least 90 days	Eligible
on initial appointment	Not expected to work 90 days	Not eligible
while on current appointment	Expected number of days changes to more than 90 days	Eligible

**Intermittent: Expected to be in pay status\* 130+ hours per month (including overtime)**

If	And	Then
on initial appointment	expected to work at least 90 days	Eligible
on Initial appointment	not expected to work 90 days	Not eligible
While on current appointment	Expected number of days changes to more than 90 days	Eligible

**Additional Information**

- Final Regulation available at: <http://www.gpo.gov/fdsys/pkg/FR-2014-10-17/pdf/2014-24652.pdf>
- Benefits Administration Letter 14-210 available at <http://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2014/14-210.pdf>