



***Retirement and Insurance Service
Benefits Administration Letter***

Number: 00-110

Date: July 28,2000

Subject: Status on Retirement Coverage Error Corrections Legislation

The Senate's version of the bill to provide relief to employees placed in the wrong retirement system, the "Federal Erroneous Retirement Coverage Corrections Act" (FERCCA), was recently added to the House's long-term care insurance bill (the "Long-Term Care Security Act"). The combined bill, H.R. 4040, was passed by the House and Senate on July 27, and will now be sent to the President for signature.

The FERCCA will give many employees and annuitants placed in the wrong retirement system an opportunity to choose between the Federal Employees Retirement System and the offset provisions of the Civil Service Retirement System. It also requires the Office of Personnel Management to issue regulations no later than 6-months after enactment. We expect that many employees will come to you seeking detailed information. While it will take some time to work out the details necessary to implement any new legislation, you may assure employees that any time lag between enactment and full implementation will not adversely affect the choices available to them. For your information, a brief description of the new coverage options contemplated in FERCCA is attached to this Benefits Administration Letter.

We are already exploring methods for implementing the FERCCA on a Government-wide basis. We realize that many of you are already working with limited resources and would find it challenging to assume an additional unplanned workload. In the coming months, we hope to give you more information on how OPM plans to relieve you of the heavy counseling responsibilities associated with the FERCCA by hiring an outside agent to work directly with employees. Our goal is to provide every affected employee with personalized counseling services. We will also develop tools that will assist you in identifying affecting employees without necessarily conducting Official Personnel Folder audits. Our aim is to administer the FERCCA in a manner that will fully benefit affected employees and annuitants without burdening agency resources.

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In the future, the latest information about the FERCCA will be available at a new web site (www.opm.gov/benefits/correction). You can subscribe to an email list server on the web site so that you automatically receive new information, as soon it becomes available. In addition to the information posted on our website, we will continue to update you in future Benefits Administration Letters.

For the time being, you can begin thinking about implementation. We will rely on agencies to distribute the materials we provide to ensure that every employee with a retirement coverage error is identified. While we will provide you with most of the tools you'll need, any plans you make now to speed the identification process will greatly assist employees in the future.

Attachment



Mary Ellen Wilson, Director
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Retirement and Insurance Service

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