



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

Number: 01-202

Date: January 29, 2001

Subject: Federal Employees Health Benefits: More on Children's Equity

On November 21, 2000, we issued Benefits Administration Letter (BAL) 00-224, providing information on implementing the Federal Employees Health Benefits Children's Equity Act of 2000 (Public Law 106-394).

On December 14, 2000, the Financial Policy Staff issued Payroll Office Letter (POL) P-00-36, providing information to payroll offices. We have attached a copy of this POL.

As we informed you in BAL 00-224, payroll offices will flag the records of employees who are subject to a court or administrative order to provide health benefits for their children. When such an employee attempts to make an enrollment change, the payroll office may contact the personnel office to determine whether the change is allowable.

Also, we stated in BAL 00-224 that when such an employee goes into nonpay status, he/she cannot elect to terminate the coverage. The employee must either make direct premium payments or incur a debt to be repaid when the employee returns to pay status. Please note that this applies only during the first year in nonpay status. Since, by law, an employee cannot continue FEHB coverage after a year in nonpay status, coverage terminates at the end of a year, even for those employees subject to a court/admin order.

A handwritten signature in black ink that reads "Abby L. Block".

Abby L. Block
Assistant Director
For Insurance Programs

Attachment

*Civil Service
Retirement
System*

*Federal Employees
Group Life
Insurance*

*Federal Employees
Health Benefits
Program*

*Federal Employees
Retirement
System*



**Retirement and Insurance Service
Payroll Office Letter**

Number: P-00-36

Date: December 14, 2000

SUBJECT: FEDERAL EMPLOYEES HEALTH BENEFITS - CHILDREN'S EQUITY ACT

Public Law 106-394, the "Federal Employees Health Benefits Children's Equity Act of 2000," requires agencies to ensure that employees, who are required to do so by a court or administrative order, provide health benefits coverage for their children. Agencies are required to enroll employees in the FEHB, if they do not voluntarily enroll or purchase other health benefits coverage. BAL 00-224 discusses in detail the effect of Public Law 106-394 and can be downloaded from our web-site at <http://www.opm.gov/asd/index.htm>.

After they are involuntarily enrolled in the FEHB, these employees face restrictions as to the type of enrollment changes they may make while subject to the court or administrative order. Since they will have the capability to attempt to change their enrollment via Employee Express, we need to ensure that only authorized changes are accepted. Therefore, to prevent unauthorized enrollment changes, agencies must "intercept" all FEHB enrollment changes attempted by these employees via Employee Express. Such enrollment changes may be processed into payroll systems only after personnel offices have given the approval to do so. If this procedure results in the delay of *authorized* enrollment changes, they should be processed retroactively.

You will recognize employees involuntarily enrolled in the FEHB by the SF 2809s prepared by your personnel office. The SF 2809s will include the following annotation in the "remarks" block in Part H:

"Being enrolled for self and family coverage involuntarily under Public Law 106-394"

Please review the changes you have processed during the recent Open Season to ensure that employees effected by Public Law 106-394 have not made unauthorized enrollment elections. If you find that you have processed such unauthorized changes, discuss the appropriate remedies with your personnel offices as soon as practicable.

If you have any questions regarding this information, we would prefer that you email us at finance@opm.gov, so that we have a record of our communication. You may also phone us on (202) 606-0606.

A handwritten signature in black ink, appearing to read "Robt A. Yuran".

Robert A. Yuran, Chief
Financial Policy Staff
Retirement and Insurance Service

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