



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

Number: 01-209

Date: April 19, 2001

Subject: Federal Employees Health Benefits (FEHB) Program: January 1 Effective Date for all Open Season Enrollments and Changes

On August 31, 1998, we published proposed Federal Employees Health Benefits (FEHB) Program regulations in the Federal Register (63 FR 46180) that would change the effective date of all open season new enrollments and changes in enrollment to January 1 of the next year. This change would apply to all enrollees, including:

- Employees,
- Annuitants, including individuals receiving monthly compensation payments from the Office of Workers' Compensation Programs (OWCP),
- Former spouses who have coverage under the spouse equity provisions of FEHB law, and
- Individuals enrolled under the temporary continuation of coverage (TCC) provisions of FEHB law.

During the comment period, we received comments from several agencies. As they requested, we postponed issuing final regulations because they could not revise their computer systems in time for the November 1998 open season, and were also concentrating on Y2K preparations.

We are now proceeding with final regulations that will make January 1 the effective date for all open season enrollments and changes in enrollment. We do not want to make this new regulation burdensome to employing offices. Therefore, we will not require employing offices to prorate withholdings and contributions when the January 1 effective date is not at the beginning of a pay period. However, we encourage those agencies that can easily modify their systems to begin proration. Those agencies that currently prorate withholdings and contributions should continue to do so.

This change will simplify administration of the FEHB Program and reduce the potential for error in determining the correct effective date for all enrollees. It will begin with the November 2001 open season and will make all open season enrollments and changes effective January 1, 2002.

If you have any questions, please contact Barbara Myers at (202) 606-0004 or dmyers@opm.gov.

A handwritten signature in black ink, appearing to read "Abby L. Block". The signature is fluid and cursive, with a long horizontal stroke at the end.

Abby L. Block
Assistant Director
for Insurance Programs