

AGENCY LETTERHEAD

[Date]

Model TCC Continuation Coverage Notice

(For use by agencies for qualified individuals currently enrolled in TCC coverage with involuntary terminations that already occurred on or after September 1, 2008, to advise them of the availability of the premium assistance.)

Dear **XXXXXX**:

The American Recovery and Reinvestment Act (ARRA) of 2009, enacted February 17, 2009, provides a new health insurance opportunity for former employees who were or are involuntarily terminated between September 1, 2008, and December 31, 2009. Under this new law, former Federal employees may request premium assistance for their temporary continuation of coverage (TCC) under the Federal Employees Health Benefits (FEHB) Program. Premium assistance means your former agency will make a Government contribution of 65 percent of the TCC premiums for your FEHB plan enrollment.

Your Federal employment terminated on [Date]. In accordance with 5 CFR 890.1103(a)(1), you were eligible and enrolled in TCC to continue your FEHB health benefits coverage for 18 months following the date of your separation from Federal employment. This is to notify you that you may request premium assistance, which will be provided for 9 months or, if earlier, until you become eligible for other group health coverage or Medicare or your TCC period ends. Note that “group health coverage” in this instance does not include limited coverage such as that consisting of only dental, vision, counseling or referral services; coverage under a health-care flexible spending arrangement; coverage of treatment that is furnished in an on-site medical facility maintained by the employer and that consists primarily of first-aid services, prevention and wellness care, or similar care; or a combination of any of the above. Also note that *eligibility* for other group health coverage will disqualify you from receiving premium assistance; it does not matter whether you elect to enroll in the other group health coverage.

If you are not eligible for other group health insurance coverage or Medicare and you wish to receive premium assistance, you must complete the attached request form and send it to [Benefits Officer] at the following address:

[Agency Address]

Please note that in order to be eligible for premium assistance, you must be enrolled in TCC under either the FEHB plan you were enrolled in when you were separated from Federal service, or another FEHB plan with an equal or lower premium. Therefore, if your TCC enrollment is in a health plan that has a higher premium than the premium for the health plan you were enrolled

in at the time you separated, you must change your TCC enrollment to a plan with a premium no higher than the premium of your prior plan in order to qualify for the premium subsidy.

If you receive premium assistance, your premium will be 35 percent of your FEHB TCC premium for the period in which you are eligible and enrolled. Your share of the premium for your current health plan [name of plan] is [Premium amount from Attachment C]. Your premium assistance will be retroactive to the first coverage period that began on or after February 17, 2009, except if you are required to switch to a different plan with a lower premium in order to qualify for premium assistance, in which case it will be prospective only. Please note that receipt of premium assistance does not lengthen the 18-month period for which you are eligible for TCC.

If you become eligible for any other group health plan or other coverage described above that makes you ineligible for premium assistance, you must notify your FEHB Program health plan and your former agency at the address provided in this letter. You no longer may receive premium assistance for any remaining TCC period, or you may be subject to a penalty of 110 percent of the premium assistance you received.

You also should be aware that there may be tax consequences associated with receipt of premium assistance for certain high-income individuals. The Internal Revenue Service website has information for former employees at: www.irs.gov/newsroom/article/0,,id=204505,00.html

The Guide to FEHB Plans for TCC Enrollees, the SF-2809 Health Benefits Election Form, and a request for premium assistance are attached. ARRA-TCC premiums for FEHB plans are on the FEHB website at www.opm.gov/insure/health/.

A request for premium assistance must be received within 60 days of the agency's notice to the individual. A request to enroll in a different plan must be received within 90 days of the agency's notice to the individual.

If you have questions, please contact me at [phone number].

Sincerely,

[Name]
Benefits Officer

Attachments