



**Retirement and Insurance Service
Benefits Administration Letter**

Number: 02-301

Date: January 4, 2002

SUBJECT: HB-PC - ANNUAL REPORTING REQUIREMENT

The Internal Revenue Code requires that administrators of cafeteria plans file an annual information return on the Form 5500 – Annual Return/Report of Employee Benefit Plan – with an attached Schedule F – Fringe Benefit Plan Annual Information Return. To fulfill our Form 5500 reporting responsibilities as the administrator of Health Benefits Premium Conversion (HB-PC), we will need input from all agencies of the Executive Branch of the Federal government that have participating employees.

Our Form 5500 submission to the IRS for tax year 2001 will be based on the information that Executive Branch agencies provide to us on the attached *Input for Form 5500*. If an agency has adopted HB-PC for the benefit of its employees, but is not part of the Executive Branch, it will not submit an *Input for Form 5500* to OPM, but must file its own Form 5500 directly with the IRS.

As the tax year 2001 Form 5500 for HB-PC must be submitted to the IRS by July 31, 2002, we will need Executive Branch agencies to complete the *Input for Form 5500* and fax it back to us no later than *June 1, 2002*; our fax number is 202-606-7944. If an agency performs payroll cross-servicing functions, it must include on its *Input for Form 5500* information for its own agency as well as for all client Executive Branch agencies. Likewise, if an agency's payroll functions are cross-serviced, it will *not* submit an *Input for Form 5500* to OPM.

If you have any questions about the matters discussed in this letter, we would prefer that you email them to us at finance@opm.gov, so that we may retain a record of them. You may also call us on (202) 606-0606.

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

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

Attachment

*Civil Service
Retirement
System*

*Federal Employees'
Group Life
Insurance Program*

*Federal Employees
Health Benefits
Program*

*Federal Employees
Retirement
System*

*Long Term
Care Insurance
Program*

**Health Benefits Premium Conversion (HB-PC)
 INPUT FOR FORM 5500
 for Executive Branch Agencies
 For the plan year ending on December 31, 2001**

****Fax completed form to (202) 606-7944 no later than June 1, 2002****

Agency:

Payroll Office Number:

Note: if your payroll functions are cross-serviced, do not complete this report; it will be completed for you by your cross-servicer.

*****In completing this report, it is important that you follow the instructions on the reverse*****

1. Number of employees

2. Number of employees eligible to participate in HB-PC

3. Number of employees who participated in HB-PC

4. Total FEHB withholdings and contributions for HB-PC participants

\$

5. If you cross-service the payroll functions of other Executive Branch agencies, attach a list of those agencies as an addendum to this report.

Name of preparer:

Telephone:

Title of preparer:

E-mail:

Signature of preparer:

Date signed:

INSTRUCTIONS FOR COMPLETING THE INPUT FOR FORM 5500

Line 1: Number of Employees

Enter the total number of employees you paid on the last pay day in calendar year (CY) 2001. Include ALL employees -- full-time, part-time, intermittent, etc.

Line 2: Number of Employees Eligible to Participate in HB-PC

Enter the total number of employees enrolled in the FEHB Program on the last pay day in CY 2001. Include in this number those for whom FEHB deductions were made and those for whom you made no FEHB deductions (e.g., those on LWOP).

Line 3: Number of Employees who Participated in HB-PC

Enter the sum of:

The number of HB-PC participants on the last pay day in CY 2001

Plus: the number of employees with pre-tax FEHB deductions, who subsequently waived participation in HB-PC during CY 2001

Plus: the number of HB-PC participants who terminated or cancelled their FEHB coverage during CY 2001.

Line 4: Total FEHB Withholdings and Contributions for HB-PC Participants

Enter the total amount of FEHB withholdings and contributions remitted to OPM for all HB-PC participants during CY 2001.