

United States

**Office of  
Personnel Management**  
*The Federal Government's Human Resources Agency*



***Benefits Administration Letter***

Number 14-103

Date: 01/30/2014

**Subject: Documenting a Retiring Employee's Eligibility to Continue Federal Employees Health Benefits (FEHB) Enrollment into Retirement**

**Purpose:** The purpose of this Benefits Administration Letter (BAL) is to provide guidance on documenting a retiring employee's eligibility to continue his or her FEHB coverage into retirement and to provide a template for a memorandum which can be used to detail coverage and certify eligibility when sufficient documentation is not available.

**Background:** OPM has been performing audits on agency retirement application packages since 2009. The single most common error found in retirement packages continues to be the agency's failure to fully document whether an employee meets the requirements to continue FEHB coverage into retirement, i.e., coverage during the 5 years of service immediately prior to retirement (or if less than 5 years, during all service in which the employee was eligible for FEHB). Often, the problem is that the documentation of electronic enrollment changes reflects the new plan and effective date, but not the old plan. Therefore, even though the 5 years may appear to be fully documented, OPM cannot accurately determine the full coverage history of the 5 years of service immediately prior to retirement from the documentation submitted.

Both the FEHB Program Handbook – Chapter on Annuitants and Compensationers, and the CSRS and FERS Handbook, Chapter 40 – Planning and Applying for Retirement, provide for a memorandum to be attached to the retirement application package to note any circumstances that would be helpful for the retirement system in determining a retiree's eligibility for continued coverage. This includes things such as:

- Information when the employee was previously covered under TRICARE/CHAMPUS or as a family member under another FEHB enrollment;
- Documenting an employee's eligibility for a pre-approved waiver of the 5-year participation requirement; or,
- Advising when an employee who made an open season change retired prior to the effective date of the change.

**Preferred Documentation:** Whenever possible, we would prefer documentation of an employee's coverage for their entire Federal career. Often, information that can assist in adjudication of a retirement claim or a future death claim is available on FEHB

documents, including evidence of benefits from the Office of Workers' Compensation Programs (OWCP), leave without pay (LWOP), or prior spouses and children.

**Minimum Required Documentation:** If you are unable to provide documentation of an employee's entire FEHB coverage history, **we must have proof of coverage during the 5 years of service immediately prior to retirement** (or if less than 5 years, during all service in which the employee was eligible for FEHB). Documentation of the employee's FEHB status and eligibility to continue coverage into retirement **must** be included in the retirement application package along with a memorandum noting any circumstances that would help us determine the employee's eligibility to continue coverage.

Many agencies now process enrollment changes using on-line systems, including Employee Express, Defense Finance and Accounting Service's (DFAS) MyPay, the Employee Benefits Information System (EBIS), National Finance Center's (NFC), Employee Personal Page (EPP) and PostalEASE. Many of these systems have history reports available that can be used to document coverage.

Acceptable proof of coverage includes:

- SF 2809 (Health Benefits Election Form) or other enrollment forms
- SF 2810 (Notice of Change in Health Benefits Enrollment)
- History reports from on-line enrollments that show **both** the old plan and new plan, and the effective dates for each change
- Copies of screen shots or other documentation from on-line enrollments that show **both** the old plan and new plan, and the effective date for each change.
- Evidence of coverage as a family member under another's FEHB enrollment. Acceptable evidence of coverage under a family member's FEHB is a copy of the family member's SF 2809 or a statement of coverage letter from the FEHB insurance carrier
- Evidence of TRICARE/CHAMPUS enrollment (including evidence of coverage as a family member)
- A signed memorandum from the agency detailing the continuous coverage of the employee to prove the employee meets the 5-year requirement and was covered under FEHB on the retirement date (corroborating documentation showing payroll deductions for at least 5 years of service immediately before retirement should also be submitted)

If an on-line enrollment history report, screen shot or other on-line documentation doesn't reflect the old plan, you may contact the carrier(s) and obtain the information. Be sure to document the call and include that documentation. As a last resort, you can submit sufficient payroll records to establish coverage during the 5 years of service immediately before retirement, as well as all changes in enrollment.

If full documentation that the employee meets the 5-year rule is otherwise unavailable, please use Attachment 2, FEHB Information and Certification Memorandum as described below.

**Information and Certification Memorandum:** The memorandum mentioned in the FEHB Program Handbook and the CSRS and FERS Handbook to detail circumstances including eligibility for the pre-approved waiver of the 5-year coverage rule, coverage as a dependent under another FEHB enrollment, or coverage under TRICARE/CHAMPUS, can now be used to document and certify that the employee has met the 5-year requirement when sufficient documentation is not available.

We have developed a template for an Information and Certification Memorandum that agencies can use to transmit information not readily apparent in the FEHB documentation, detail the enrollee's coverage for the 5 years of service immediately prior to retirement; (or if less than 5 years, during all service in which the employee was eligible for FEHB), identify the source of documentation used, and certify the annuitant's eligibility to continue coverage into retirement.

Attachment 1 is the instructions for use of the memo. Attachment 2 is the Information and Certification Memorandum.

If you have any questions concerning this BAL, you may contact Philip Gardner, Human Resources Specialist at 202-606-8083 or [philip.gardner@opm.gov](mailto:philip.gardner@opm.gov).

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