

Department of Defense Employee Handout

Federal Employee Health Benefits Plan (FEHB) Eligibility Expansion to Certain Employees on Temporary Appointments and Employees on Seasonal and Intermittent Schedules

Purpose:

This handout is intended to provide information on the Office of Personnel Management's FEHB change expanding enrollment opportunities to certain Temporary, Seasonal, and Intermittent employees effective November 17, 2014.

Background:

Previously, most employees on temporary appointments became eligible for Federal Employee Health Benefits Plan (FEHB) coverage after completing one year of continuous employment and, once eligible for coverage, did not receive an employer contribution towards their FEHB premium. Employees working on seasonal schedules for less than six months in a year and those working intermittent schedules were excluded from eligibility regardless of the work hours they were expected to be scheduled. Some limited exceptions were made to these exclusions for temporary firefighters and emergency response workers in Title 5 Code of Federal Regulations (CFR 890.102(h) and (i)).

Benefits Administration Letter 14-210 expands FEHB eligibility by allowing current and new employees on Temporary appointments as well as employees on seasonal or intermittent schedule to enroll in FEHB, if the employee is expected to work 130 or more hours in a calendar month for at least 90 days. This expansion also allows these employees to enroll in a FEHB plan under 5 CFR 890.102(j) (with a Government contribution to premium) if the employee is determined by his or her employing office to be newly eligible for FEHB coverage under this expansion.

If the employing office expects the employee to work fewer than 90 days, that individual is generally ineligible to enroll. If the expectation changes to more than 90 days, the employee will be eligible to enroll upon notification from the employing office. Temporary, seasonal, and intermittent employees who are expected to work a schedule of less than 130 hours in a calendar month will not be eligible to enroll in a FEHB health plan. Temporary, seasonal, and intermittent employees for whom the expectation of hours of employment changes from less than 130 hours per calendar month to 130 hours or more per calendar month would become eligible to enroll in an FEHB health plan.

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The expansion in eligibility coverage set forth in this new regulation is intended to ensure, to the greatest extent practicable, that full-time employees, within the meaning of section 4980H of the Internal Revenue Code (IRC) and Treasury regulations (79 FR 8544, February 12, 2014) are eligible to enroll in FEHB. IRC section 4980H, enacted as part of the Affordable Care Act, defines a full-time employee as, with respect to any month, an employee who is employed on average at least 30 hours of service per week (IRC section 4980H(c)(4)). Under the IRC, section 4980H regulations, a fulltime employee means, with respect to any calendar month, an employee who is employed at least 130 hours of service in that month.

Impact:

The expansion of the Federal Employees Health Benefits Program (FEHB) allows newly eligible employees (Temporary appointments limited to one year and seasonal or intermittent schedule) to meet the Individual Shared Responsibility (26 U.S.C. Section 5000A) required by the Affordable Care Act. This mandate provides individuals with a choice; maintain Minimum Essential Coverage (MEC) for themselves and any family members or include an additional payment with their Federal income tax return. Specifically, the Individual Shared Responsibility provision provides that individuals must have minimum essential coverage for each month beginning after December 31, 2013, or make an additional payment (the shared responsibility payment) with their Federal income tax return for the taxable year that includes such month.

All FEHB plans are eligible employer-sponsored plans and provide minimum essential coverage (MEC). Therefore, if an individual is covered by a plan under the FEHB Program for any given month, that individual satisfies the requirement to maintain MEC for that month (26 U.S.C. § 5000A (f)).

Enrollment:

Enrollments for newly eligible employees would be accepted during a 60-day period after the employing office notifies employees of their eligibility to enroll in a FEHB health plan. Coverage will become effective the first day of the first pay period after the employing office receives an appropriate request to enroll or change the enrollment (as provided for by 5 CFR 890.301). Employing offices must promptly determine eligibility of new and current employees and upon determining eligibility, promptly offer employees an opportunity to enroll in the FEHB Program so that coverage becomes effective no later than January 2015. For those who are currently employed as a temporary, seasonal, or intermittent employee, this rule becoming effective will serve, as a qualifying life event (QLE) and coverage will become effective according to the existing rules for QLEs.

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Once an employee is enrolled under these regulations, eligibility will not be revoked, regardless of his or her actual work schedule or employer expectations in subsequent years, unless the employee separates from Federal service or receives a new appointment (in which case eligibility will be determined by the rules applicable to the new appointment).