




Management Instruction

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Title
FEHB: Temporary Continuation of Coverage

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I. Purpose

This Instruction includes information on Federal Employees' Health Benefits (FEHB) **Temporary Continuation of Coverage (TCC)** and is to be used to administer TCC provisions. This document replaces the interim instructions distributed March 22, 1990.

II. Background

The **Federal Employees' Health Benefits (FEHB) Program** has been amended to provide for continuation of health benefits coverage beyond the 31-day extension for certain persons who lose FEHB coverage on or after January 1, 1990. (Section II of Public Law 100-654 added Section 8905a to Title 5 of the U.S. Code.).

III. Persons Eligible for TCC

A. Employees

Employees who separate from service, voluntarily or involuntarily, unless the separation is involuntary due to gross misconduct, are eli-

gible for TCC. This group includes employees who separate for retirement and are not eligible for continued FEHB coverage as annuitants.

B. Children

Children who (a) have been covered under an employee or annuitant's enrollment because they met the requirements for unmarried, dependent children of the employee or annuitant, and (b) no longer meet these requirements, are eligible for TCC. This group includes children who:

- a. Marry before reaching age 22.
- b. Lose coverage because they reach age 22.
- c. Lose their status as stepchildren or foster children.
- d. No longer meet coverage requirements as recognized natural children.

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- e. Are disabled, age 22 and older, and who marry, recover from their disability, or become able to support themselves.

C. Former Spouses

Former spouses are eligible for TCC if they meet the requirement in **Employee and Labor Relations Manual (ELM)** 521.611c. of having been enrolled in an FEHB plan as a family member at some time during the 18 months before the marriage ended but do not meet one or both of the requirements cited in ELM 521.611 a. and b. because the former spouse (a) has remarried before reaching age 55, or (b) is not entitled to a portion of the employee's or annuitant's benefit or a survivor benefit based on the employee's or annuitant's service.

IV. Persons Ineligible for TCC

These persons are ineligible for TCC:

- a. Family members who lose coverage when an employee changes to self only or cancels coverage.
- b. Employees who lose coverage after 12 months in a nonpay status.
- c. Annuitants whose annuities terminate. This applies primarily to disability annuitants whose annuities stop because of recovery or restoration to earning capacity.
- d. Recipients of Workers Compensation who lose coverage because their compensation terminates.
- e. Survivor annuitants whose annuities terminate, unless the terminating event is one that allows TCC. For example, a surviving spouse who loses both the survivor annuity and FEHB coverage because of remarriage before age 55 is not eligible for TCC, because remarriage is not a qualifying event for a surviving spouse. However, a child who loses both a survivor annuity and FEHB coverage because of marriage is eligible for TCC because marriage is a qualifying event for a child.
- f. Employees who transfer to a position that is excluded from FEHB coverage by law.
- g. Widow(er)s and children who lose coverage because of the death of an employee or annuitant and who are not eligible for survivor benefits.
- h. Children whose survivor annuities stop because they are no longer students.
- i. Persons who were not covered by FEHB, even if they were eligible for coverage. TCC is *continuation* of existing FEHB coverage.

V. Automated Processing Agency

A. National Finance Center

The Office of Personnel Management (OPM) has contracted with the **U.S. Department of Agriculture (USDA), National Finance Center (NFC)** to act as the central processing office for the collection of FEHB premiums from enrollees eligible to participate in the TCC program. The NFC will also perform these services for those eligible for FEHB coverage under the Civil Service Retirement Spouse Equity Act of 1984. NFC has developed the **Direct Premium Remittance System (DPRS)** to provide these services. We have signed an agreement with the NFC to provide these collection services for the Postal Service.

B. NFC Responsibilities

The NFC will:

- a. Establish and maintain enrollee accounts.
- b. Provide enrollees with correspondence relating to their enrollment in the DPRS after their initial enrollment.
- c. Make eligibility decisions for changes in enrollment for all categories of enrollees.
- d. Determine the eligibility for reinstatement of an enrollee.
- e. Perform billing and collection functions.
- f. Notify carriers of enrollee information.
- g. Respond to billing and collection inquiries.
- h. Handle open season processing for enrollees within the covered group.

C. Use of Information

The NFC uses the original/former employee information for establishing a DPRS enrollee master file, for determining the enrollment expiration date in the case of TCC enrollees, and for providing this information to the carrier.

VI. Employing Office Responsibilities

A. Notifying Employees

- 1. **Time Allowed.** Employing offices must notify eligible separating employees of their opportunity to elect TCC within 30 days after their coverage would otherwise end, including the 31-day temporary extension of coverage for conversion. (Regular FEHB coverage ends at the end of the pay period in which the employee separates.)

Therefore, the employing office has at least 61 days to notify former employees. Installations are urged, however, to notify former employees immediately upon separation of both their right to TCC and their right to convert to a nongroup contract offered by their plan.

2. Information Required. The notification to the former employee must explain the right to TCC and explain how the former employee may obtain the registration form and additional information. Information that must be available to the employee upon request includes **RI 70-5, Enrollment Information Guide and Plan Comparison Chart** (or access to employing office reference copy), and **SF 2809, Health Benefits Registration Form**. (See Attachment A at the end of this instruction.)

B. Notifying Children

1. Time Allowed. The covered employee is responsible for notifying the employing office of the change in the child's status, the date of the event that caused the loss of coverage, and the address of the child, within 60 days after the event that caused the loss of coverage. Even if someone other than the employee notifies the employing office, the employing office should send the notice to the child. Within 14 days of being informed of the child's loss of coverage, the employing office must notify the child of his or her rights to TCC.

2. Information Required. The notice to the child must include:

- a. An explanation of the child's right to TCC.
- b. RI 70-5.
- c. SF 2809.
- d. An explanation of how the child may obtain additional information.
- e. A request for appropriate information or documentation if there is doubt about the date of the qualifying event. (See Attachment B at the end of this instruction.)

C. Notifying Former Spouses

1. Time Allowed. Either the employee or the former spouse must notify the employing office within 60 days after the change in status. Within 14 days of being informed of the former spouse's loss of coverage, the employing office must notify the former spouse of his or her rights to TCC.

2. Information Required. The notice to the former spouse must include the same information as the notice to a child. In addition, the notice must request a certified copy of the divorce decree or other document showing the date of the divorce or annulment. (See Attachment C at the end of this instruction.)

D. Record of Notification

The employing office must either give the notice directly to the former employee, child, or former spouse, or send it by certified mail, return receipt requested. If the employing office notifies the person directly, he or she must acknowledge receipt by signing the notice. The employing office should provide the eligible person with a copy of the signed notice for his or her records. If the notice is sent by certified mail, a copy of the notice and the delivery receipt must be retained for the records. For employees, the signed notice (or a copy of the notice and the certified mail delivery receipt) must be kept on the right **side of the employee's official personnel folder** (OPF). For former spouses or children, the signed notice (or a copy of the notice and the certified mail delivery receipt) must be placed in the separate enrollee health benefits file. (See VI-G.)

E. Completing Registration Form

Prior to forwarding the initial SF 2809 to the NFC for processing, the employing office must perform the following functions:

- a. Verify eligibility of the enrollee for FEHB enrollment under Pub.L. 100-654 Temporary Continuation of Coverage (5 U.S.C. 8905a) or Pub.L. 98-615 (Spouse Equity Act).
- b. Receive the initial SF 2809 from the enrollee and ensure that the information is accurate, complete, and signed by both the enrollee and the authorized agency official.
- c. Determine the effective date of coverage. (See XII.)
- d. Complete the agency portion of the SF 2809, by:
 - (1) Listing the appropriate finance number in the space provided for the Payroll Office Number. (See VIII.)

(2) Indicating in the Remarks block the enrollee's relationship to the employee or former employee (self, former spouse or child) and the Public Law under which eligibility for TCC occurs, using the law's full number; i.e., Pub. L. 98-615 or Pub.L. 100-654 (5 U.S.C. 8905a),

(3) For former employees, next indicating in the Remarks block the date of separation and the last day of the pay period during which separation occurred.

(4) For former spouses or children, next indicating in the Remarks block (in this exact order): the *employee or former employee's* name, Social Security number, and date of birth; and the date of the event qualifying the former spouse or child for TCC.

F. Submitting Registration Form

After all information is complete, the employing office should return SF2809, Copy 5 (Enrollee Copy), to the enrollee—whether an employee, former spouse, or child. For employees, Copy 1 (OPF Copy) should be placed in the employee's OPF. Copy 2 (New Carrier Copy) should be destroyed. For former spouses or children, Copy 2 (New Carrier Copy) should be placed in the separate health benefits file (see VI-G) and Copy 1 (OPF copy) should be destroyed. For any enrollee—whether employee, former spouse, or child—Copies 3 (Old Carrier Copy) and 4 (Payroll Office Copy) should be sent to the NFC for processing at the following address:

DPRS BILLING UNIT
NATIONAL FINANCE CENTER
PO BOX 61760
NEW ORLEANS LA 70161-1760

Note: Installations presently holding registration forms (SFS 2809) received from eligible applicants pending further instructions should complete the forms as indicated and forward to the NFC at the above address.

G. Health Benefits File

1. Separate File. For a former spouse or child, the employing office must set up a file that is separate from the personnel records of the employee. The file must be in the name of the enrollee with the name of the employee on whose service the benefits are based noted on the front cover.

2. Contents. The employing office must keep the following documents in the enrollee's health benefits file:

a. Copy 2 (New Carrier Copy) of the employing office SF 2809 documenting the enrollment and any subsequent SFs 2809 documenting changes in enrollment.

b. Copies of any correspondence or other documents related to the enrollment (for example, documents pertaining to a child's mental or physical disability before age 22).

c. Record of notification of the former spouse or child. (See VI-D.)

3. Privacy Act Considerations. These records, which are personal in nature, are to be treated as confidential and given the same measure of security as other personnel record systems; i.e., storage in a locked desk or file cabinet and access restricted to those with an official need to know. These records must be handled and disclosed only in accordance with the privacy act and implementing instructions. (See *Administrative Support Manual* 353.)

4. Destruction. This file may be destroyed 2 years after the end of the calendar year in which the 18- or 36-month period of TCC expires.

5. Former Spouse File. If a former spouse with coverage under the spouse equity provisions loses that coverage during the 3 years following the divorce or annulment (other than by cancellation, which includes cancellation for nonpayment of premium), the former spouse may elect TCC for the balance of the 3-year period. The health benefits file that the employing office kept under the spouse equity provisions must be forwarded to OPM through the Retirement Section of the Minneapolis Postal Data Center. If the former spouse elects TCC, the employing office prepares a new health benefits file.

H. Additional Employing Office Responsibilities

The employing office must also:

a. Respond to inquiries from NFC personnel relating to the initial SF 2809 and data submitted for new enrollees.

b. Review the monthly report DPRS 1501 to ensure that all SFs 2809 submitted by the employing office have been processed correctly. (See XX.)

c. Submit any corrections to the initial SF 2809 resulting from administrative error.

VII. Registration Procedure

A. Form Preferred

A former employee, child, or former spouse may register by submitting a letter or other signed request that includes all necessary information. However, the SF 2809 is the preferred method of registration. If the individual submits a letter rather than an SF 2809, the employing office must attempt to get the person to complete an SF 2809. If the employing office is unable to obtain a completed SF 2809, it must complete the SF 2809 for the

enrollee based on the written request. The enrollee's own name, date of birth, and Social Security number must be entered in Part A of the form.

B. Registration by Guardian

If an eligible individual is unable to file an election on his or her own behalf because of mental or physical disability, a court-appointed guardian may file the election.

VIII. Submitting Enrollment Data

A. Submitting Office Number (SON)

Postal units submitting an SF 2809 to the NFC for processing under the DPRS must provide a **Submitting Office Number (SON)**. A finance number is to be used for this purpose. Field installations use either their own finance number or that of the office which submits their enrollment data to the NFC, according to instructions below. Headquarters field units use their own installation finance number, whether they send forms directly to the NFC or submit them through another office. The SON is placed in the space provided on the SF 2809 for the payroll office number. **Caution: The payroll office number must not be used for TCC enrollments.**

B. Field Facilities

1. Submitting Directly. These field installations have been designated as submitting offices and submit enrollment data directly, using their own finance numbers as SONs:

- a. **Management sectional centers (MSCs).**
- b. Field division offices.
- c. All **bulk mail centers (BMCs)**, including the New Jersey International and Bulk Mail Center.
- d. The **JFK Air Mail Facility (AMF)** and the O'Hare AMF.
- e. The Brooklyn, NY Post Office and the Washington, DC Post Office.

2. Submitting Indirectly. Field installations not specifically designated as submitting offices submit enrollment data as follows:

- a. Installations within an MSC area submit enrollment data to the NFC through their MSC, using the finance number of the MSC as the SON.
- b. Installations within a field division host office area submit enrollment data to the NFC through the field division office, using the finance number of the field division as the SON.

C. Regional Headquarters

Each regional office submits enrollment data for regional employees and their dependents through the designated human resources service center personnel section, using the regional employee relations finance number as the SON.

D. Headquarters Field Units

1. Submitting Directly. These installations or units have been designated as submitting offices and submit enrollment data to the NFC directly:

- a. Headquarters Personnel Division.
- b. Human resources service center personnel sections.
- c. Regional chief postal inspectors.
- d. Address Information Center.
- e. Mail Equipment Shop.
- f. Maintenance Technical Support Center.
- g. Materiel distribution centers.
- h. National Information Systems Support Center.
- i. Philatelic Sales Division.
- j. Postal data centers.
- k. Postal Rate Commission.
- f. Technical Training Center.
- m. William F. Bolger Management Academy.

2. Submitting Indirectly. Headquarters field units not specifically designated as submitting offices submit enrollment data as follows:

- a. The Engineering and Development Center, the National Test Administration Center, and the Stamped Envelope Unit submit enrollment data through the Headquarters Personnel Division.
- b. The Headquarters Personnel Division also processes enrollment data for Headquarters employees and their dependents, using the Headquarters Personnel Division finance number as SON.
- c. Inspection Service divisions submit enrollment data through their regional chief postal inspector, who also submits enrollment data for regional staff directly to the NFC.
- d. All other Headquarters field units, such as service centers and service offices, submit enrollment data through the appropriate human resources service center's personnel section.

IX. Time Limitation for Electing TCC

A. Former Employees

Former employees must submit their election within 60 days after the later of (a) the date of separation, or (b) the date the former employee receives the notice from the Postal Service.

B. Children

1. Timely Notification by Employee. If the employee notifies the employing office of the child's loss of coverage within 60 days of the event that causes it, the child must respond to the employing office within 60 days after the later of (a) the date of the qualifying event, or (b) the date the child receives notice of eligibility for TCC from the employing office.

2. Late Notification by Employee. However, if the employee does not notify the employing office of the child's loss of coverage within 60 days of the event that causes it, even if the employing office receives notice of the child's loss of coverage from someone other than the employee, the child must respond to the employing office within 60 days after the date of the qualifying event.

C. Former Spouses

Former spouses must submit their election of continued coverage to the employing office within 60 days after the later of these three: (a) the date of the qualifying event; (b) the date the former spouse receives notice from the employing office if, and only if, the employee or former spouse notifies the employing office of the former spouse's loss of coverage within 60 days of the event that caused it; or (c) the date coverage under spouse equity provisions is lost (because of remarriage or loss of coverage under the spouse equity provisions before expiration of the 36-month period following the qualifying event).

D. End of Enrollment Opportunity

If the employing office is not notified of the eligibility of children or former spouses, the enrollment opportunity ends after the 60th day after the event causing loss of coverage.

E. Belated Elections

When an employing office determines that a former employee, child, or former spouse was unable, due to a cause beyond his or her control, to elect TCC within the specified time period, the employing office must accept an election submitted within 31 days after advising the individual of that determination.

X. Election Options

A. Initial Enrollment

Under the amended regulations, former employees, children, and spouses who temporarily continue health coverage are not limited to the plan, option, or type of enrollment of the covering enrollment at the time of the qualifying event. They may enroll in any plan in which they are otherwise eligible to enroll or they may enroll for continued coverage in the employee organization plan that was the covering enrollment at the time of the qualifying event, without meeting the requirement for paying membership dues.

B. Events Permitting Enrollment Changes

Enrollees may change coverage during open season or upon the occurrence of one of the following events, subject to the appropriate provision of FEHB regulations:

- a. Change in family status.
- b. Change to self only.
- c. Move from area served by comprehensive plan.
- d. Termination by an employee organization plan.
- e. Termination of plan in which enrolled.
- f. Upon becoming eligible for Medicare coverage.
- g. Child's coverage under another enrollment ends.

C. Special Provision for Change from Family to Self

Enrollees may change their enrollment from self and family to self only at any time. If an enrollee changes his or her enrollment to self only, family members who lose coverage are entitled to the 31-day temporary extension of coverage for conversion to an individual contract.

D. Processing

The NFC will process enrollment changes for covered enrollees as part of the collection service provided for the Postal Service.

XI. Premium Payments

TCC enrollees pay the full premium cost (both the employee and Postal Service share) plus a 2 percent administrative surcharge. Enrollment charges begin the day after the free 31-day temporary extension ends. The payment is due after the pay period during which the enrollee is covered and in accordance with a schedule established by the NFC.

XII. Length of TCC

A. Effective Date of Coverage

During the first 31 days of the 18- or 36-month period, the individual is covered under the free 31-day temporary extension of coverage. Therefore, the effective date of coverage under Pub.L. 100-654 is the day after the expiration of this 31-day temporary extension. Coverage is retroactive if the individual submits the written request or registration form after the 31-day temporary extension ends. In the case of former spouses the effective date of coverage is the *later* of: (1) the day after the expiration of the 31-day temporary extension of coverage or (2) the date of the divorce or annulment. The effective date of coverage for a former spouse may not become effective before the date of the qualifying event.

B. Evidence of Coverage

Enrollees should not wait until they receive billing coupons from the NFC or an identification card from their insurance carrier to seek needed medical care. Until receipt of a valid ID, enrollees should present their copy of the SF2809 (signed by the employing office) as evidence of coverage. If they have medical services denied to them even after presentation of the SF2809 copy, they should contact the NFC for assistance. (See XIX for information on the toll-free telephone number.)

C. Former Employees

TCC for a former employee may not exceed the date that is 18 months after the date of separation from service. Coverage continues for the full 18 months unless some other event, such as cancellation, causes it to end earlier.

D. Children

TCC for a child may not exceed 36 months after the date of the child's change in status if the change in status occurred while the parent was an employee or annuitant. If the child's change in status occurred while the child was covered as a family member during a period of TCC following an employee's separation, the child is eligible for TCC in his or her own right. The child's coverage may not continue beyond 36 months after the date of the employee's separation.

E. Former Spouses

TCC for a former spouse of an employee may not exceed 36 months after the date of the qualifying event if the qualifying event occurred before the employee's separation. If the qualifying event occurred while the for-

Example 1

Employee's child reaches 22nd birthday April 22, 1990.

Child's period of TCC expires April 21, 1993.

Note: The child is considered to have attained age 22 at midnight on April 21 and on April 22 is no longer a family member.

Example 2

Employee separates February 3, 1990 (no longer an employee on February 4).

Former employee's period of TCC expires August 3, 1991.

Child reaches 22nd birthday April 22, 1990.

Child's period of TCC expires February 3, 1993.

mer spouse was covered as a family member during TCC following an employee's separation, the former spouse's coverage may not continue beyond 36 months after the date of the employee's separation.

F. Situation Ending Coverage Sooner

TCC ends earlier if the enrollee (a) does not pay the premiums, (b) cancels, or (c) again acquires coverage under the regular FEHB provisions.

G. Reenrollment

Under the amended regulations, if an enrollee's coverage ends before the period of TCC expires, the enrollee generally is not allowed to reenroll. However, if TCC ends because the enrollee acquires other FEHB coverage (for example, becomes covered as the spouse of an employee), and that coverage ends before the period of TCC expires, the individual may reenroll within 31 days after the other FEHB coverage ends. The period of reenrollment cannot extend beyond the expiration date of the original 18- or 36-month period of TCC.

XIII. Termination of TCC

A. Expiration or Cancellation

An enrollment ends either because the period of TCC expires or the enrollee cancels the enrollment (which includes cancellation by nonpayment of premiums). Enrollees are entitled to temporary extension in the following circumstances:

a. If the enrollment ends because TCC expires, the enrollee is entitled to the 31-day temporary extension for conversion to an individual contract.

b. Coverage of family members ends when the covering enrollment ends or when the person ceases to meet the requirements for being considered a family member. A family member who loses the continued coverage for any reason other than cancellation of the covering enrollment (which includes cancellation by nonpayment of premiums) is entitled to the 31-day extension of coverage for conversion to an individual contract.

B. Nonpayment of Premiums

An enrollment ends due to nonpayment of premiums if the premiums remain unpaid 15 days after the enrollee receives notification from the NFC. If an enrollment ends due to nonpayment of premiums, it is considered a voluntary cancellation effective with the last day of the pay period for which the enrollee made payment.

C. Processing

The NFC processes terminations of enrollments or coverage as part of the collection service provided for the Postal Service.

XIV. Conversion to a Nongroup Contract

A. 31-Day Temporary Extension

Former employees and family members who lose coverage other than by cancellation (which includes cancellation by nonpayment of premium or discontinuance of the plan) have a 31-day temporary extension of coverage, at no cost to them, for the purpose of converting to a nongroup contract (individual policy) with their health benefits plan. This is true even when they also have the right to elect TCC. The first 31 days of the period of eligibility for coverage under Pub.L. 100-654 run simultaneously with the 31-day temporary extension of coverage. If they elect continued coverage under Pub. L. 100-654, their enrollment charges begin the day after the free 31-day temporary extension of coverage ends, as indicated in Section XII. If they elect TCC instead of the nongroup conversion policy,

they have another 31-day extension of coverage (at no cost to them) and another opportunity to convert to a nongroup coverage when the TCC ends (unless it ends because of cancellation by nonpayment of premium or discontinuance of the plan). The NFC will perform activities related to the 31-day temporary extension of coverage and conversion privilege under this provision.

B. Effect on Covered Family Members

When TCC ends (except by cancellation of coverage or nonpayment of premiums) a former employee, child, former spouse, or family member is entitled to a temporary extension of coverage and an opportunity to convert to a nongroup contract, the same as other FEHB enrollees. The amended regulations specify that, for TCC purposes, a change to self only does not act as a cancellation for covered family members. This provision allows the spouse and children of an employee or annuitant who changes to self only coverage to convert to a nongroup contract.

XV. Effect on Future Entitlement

Under the FEHB Program, in order to continue coverage after retirement, a retiring employee must have been covered under the FEHB Program for the 5 years of service immediately preceding retirement or if less than 5 years, for all service since the first opportunity to enroll. Under the amended FEHB regulations, a former employee's enrollment or eligibility for enrollment under the TCC provisions is not considered in determining whether the retiring employee meets these participation requirements. This is because the person is not a postal employee at that time. However, an employee covered as a family member under another person's FEHB TCC is considered to be participating in the FEHB program.

XVI. Denial Due to Gross Misconduct

A. Definition

Under the law, TCC is not available to an employee who is involuntarily separated from the Postal Service because of gross misconduct. Regulations define gross misconduct as a "flagrant and extreme transgression of law or established rule of action for which an employee is separated and concerning which a judicial or administrative finding of gross misconduct has been made."

B. Responsibility for Determination

It is the employing office's responsibility to determine whether the offense for which an employee is being removed constitutes gross

misconduct. The determination of gross misconduct must be made on a case-by-case basis.

C. OPM Guidelines

1. Elements. Generally, an offense punishable as a felony would be considered gross misconduct, but lesser offenses may also be gross misconduct, depending on the circumstances. Some important elements in the determination of gross misconduct go beyond the seriousness of the offense itself:

a. There must be a connection between the offense and the employee's job.

b. The employee must have the ability to understand the gravity of his or her conduct.

c. The offense must be affirmative and willful, not simply negligent.

2. Comparison to Adverse Action. The determination of gross misconduct is similar to removals under applicable adverse action procedures but is not identical. Adverse action procedures have no gross misconduct feature; therefore, they do not result in a specific finding of gross misconduct. In fact, offenses for which removals under adverse action procedures can occur include offenses that are not considered gross misconduct. Some removals under adverse action procedures are not even disciplinary in nature; for example, refusal to transfer with one's function or physical inability to perform the duties of the job.

3. Removal Must Result from Offense. Under OPM regulations, it is not enough that an employee has committed an offense that constitutes gross misconduct. The employee's removal (or resignation in lieu of removal) must have resulted from the offense. For example, if an employee is found to have embezzled postal funds but has resigned before the Postal Service initiates adverse action procedures, the separation is considered voluntary and the employee is entitled to TCC. Similarly, if an employee commits an offense that normally constitutes gross misconduct, but is removed under a provision of law unrelated to the offense—for example, unsatisfactory performance—the removal is not due to the offense and the employee is entitled to TCC.

4. Resignation with Removal Pending. If an employee resigns after receiving notice of the Postal Service's proposal to remove for an offense constituting gross misconduct, but before the removal actually occurs, the separation is considered to be

based upon gross misconduct, and the Postal Service denies TCC.

D. Notification Requirements

When the employing office determines that the offense for which an employee is being removed constitutes gross misconduct, the employing office must notify the employee in writing of its intention to deny TCC. The notice must set forth the reason for the denial and give the employee a reasonable amount of time to respond. The notice must identify the designated official to whom the employee must respond in person or in writing. (See XVI-E.) The notice must inform the employee that if no response is received within the time frame allotted, the denial will be considered to be a final decision. The notice should be made no later than the date of separation. If the removal is under the authority of adverse action procedures or another provision that prescribes procedures for actions based on misconduct, this notice requirement may be combined with the notice requirements of the removal authority. (See Attachment D.)

E. Determination of Designated Official

As noted in XVI-D above, the notification to the employee must include identification of a designated official to whom the employee must respond in person or in writing to set an appeal in motion. Determination of the designated official depends upon the installation issuing the notification to the employee, as follows:

a. If notification is made by a field division the designated official is the respective regional director of Human Resources.

b. If notification is made by an installation that reports to a field division, the designated official is the respective field director of Human Resources.

c. If notification is made by an Inspection Service division, the designated official is the respective regional chief postal inspector.

d. If notification is made by Headquarters, a Headquarters field unit, a regional chief postal inspector, or a regional headquarters, the designated official is the Assistant Postmaster General, Employee Relations.

F. Employee's Response

The employee must be allowed at least 7 days to respond. The response may be oral or in writing, and the employee is entitled to be represented by an attorney or other representative.

G. Final Decision

If the employee responds to the notice of denial, the designated official must issue and transmit to the employee a final decision in writing that fully sets forth findings and a conclusion. The USPS decision is not subject to reconsideration by OPM. The employee may file suit in district court if he or she wants to challenge the Postal Service's final decision.

XVII. Coordination with Spouse Equity

A. Spouse Equity Provisions

Under the spouse equity provisions, which have been in effect since May 1985, former spouses of employees can continue health benefits coverage if they meet certain conditions. See ELM 521.6 for a full explanation of these provisions.

B. Pending Court Order

A former spouse is eligible for TCC if he or she would otherwise be eligible for continued benefits under the spouse equity provisions except for lack of a qualifying court order or because of remarriage before age 55. Coverage under the spouse equity provisions is often delayed because OPM must determine whether the former spouse's court order is a qualifying court order. Coverage under the spouse equity provisions does not begin until after the employing office receives the determination that the court order is qualifying. Former spouses are eligible for TCC while they wait for coverage under the spouse equity provisions to begin (but not for more than 36 months after the divorce or annulment).

C. Discontinuation

When a former spouse who has continued coverage under the spouse equity provisions remarries before reaching age 55, the coverage ends. If the remarriage occurs during the 36 months following the divorce or annulment, the former spouse is eligible for TCC. TCC expires on the same date it would have expired if the person had never been eligible for coverage under the spouse equity provisions.

D. Spouse Equity Enrollments After March 22, 1990

Under the agreement between the NFC and the Postal Service, the NFC will administer spouse equity accounts for the Postal Service. Effective March 22, 1990, send all spouse equity enrollments to the NFC at the following address. Other enrollment and processing instructions for spouse equity enrollments outlined in ELM 523.61 remain in effect.

DPRS BILLING UNIT
NATIONAL FINANCE CENTER
PO BOX 61760
NEW ORLEANS LA 70161-1760

XVIII. Coordination with OWCP

A. Family Members of Employed Compensationers

The employing office of a compensationner is responsible for providing notification to eligible family members who lose family member status and for accepting their TCC enrollments rather than the **Office of Workers' Compensation Programs (OWCP)**.

B. Employed Compensationers Being Separated

When an employing office separates a covered compensationner who is not entitled to continued health benefits coverage as a compensationner, the employing office is responsible for notifying the individual of his or her right to TCC and for accepting the enrollment.

C. Separated Compensationers and Family Members

If the enrollment has been transferred to OWCP, the employing office must contact OWCP to verify that the compensationner is enrolled and, if the person seeking continued coverage is a family member, that the enrollment is for self and family. If the person seeking coverage is a child whose date of birth is not shown in the employee's OPF, OWCP can supply that information.

D. Family Members of Separated Compensationers

In the case of eligible family members of compensationers who are no longer employees, OWCP is responsible for notifying them when they lose their status as family members, for accepting their TCC enrollments, and for collecting their premiums.

XIX. Inquiries

A. NFC vs Employing Office Responsibility

It is anticipated that enrollees and or the employing office will make inquiries regarding their NFC accounts. All questions should be referred to and will be handled by the NFC, except those relating to the eligibility of separated employees and former spouses or children of current employees. The employing office is responsible for answering questions concerning eligibility for TCC.

B. Telephone Numbers

The NFC has established a toll free telephone inquiry line for DPRS enrollees. The number is 1-800-242-9630. The line is available from

7:45 a.m. to 4:00 p.m., Central Time, Monday through Friday (except federal holidays). Employing offices may not use the toll free number. Instead, telephone inquiries should be made to 504-255-5990. The inquiry line is available from 7:45 a.m. to 4:00 p.m., Central Time, Monday through Friday (except federal holidays).

XX. Reports

A. Report of SFs 2809 and SFs 2810 (DPRS 1501)

For verification purposes, the NFC will provide each submitting office with a report (DPRS 1501) giving information on all initial SF 2809 and/or SF 2810 activity processed in the previous monthly cycle.

B. Notice of Individual Retirement Changes for Spouse Equity (DPRS 1601)

The NFC will provide each submitting office with a report (DPRS 1601) indicating any changes, terminations, or cancellations in enrollment concerning spouse equity enrollees. The PDC then uses information provided in the report to make appropriate notations to

the retirement master file and to supplemental records associated with TCC spouse equity enrollees. Forward this report to:

RETIREMENT BRANCH
MINNEAPOLIS POSTAL DATA CENTER
BISHOP HENRY WHIPPLE FEDERAL BLDG
TWIN CITIES AMF MN 55111-9020

XXI. RI-70-5 Enrollment Information Guide and Plan Comparison Chart

A. Requisitioning RI 70-5

RI 70-5 is available in the **material distribution centers (MDCs)**. Offices may requisition the form on an as-needed basis using Form 7380, *MDC Supply Requisition*.

B. Maintaining Control Over Distribution

Installations must maintain close control over the issuance of the RI 70-5. Only eligible employees or their eligible family members who desire to enroll under these provisions should receive the brochure. Installations must maintain an office copy of the RI 70-5 for employee reference in case the installation or MDC supply of the brochure is depleted.



UNITED STATES POSTAL SERVICE
(POSTAL FACILITY)
(STREET ADDRESS)
(CITY/STATE/ZIP + 4)

(date)

Mr. John Doe
123 Main Street
Anytown, USA 00000-0000

Dear Mr. Doe:

Your coverage in the Federal Employees' Health Benefits (FEHB) Program ends on the last day of the pay period in which you separate from the Postal Service, subject to a 31 day temporary extension of coverage (at no cost to you) for conversion to a nongroup contract.

You also have the right to continue your FEHB coverage temporarily for up to 18 months after your separation instead of converting to a nongroup contract at this time. You may select any plan in the FEHB Program in which to continue your coverage if you are eligible to enroll in the plan. To continue your coverage, you must pay the full premium cost (both the employee and Postal Service shares) plus a 2 percent administrative surcharge. If you choose to continue your coverage, during the first 31 days you have the free coverage described above. Your enrollment charges begin on the day after the 31-day period of free coverage ends. If you continue the coverage to the end of the 18-month period, you will have another 31-day temporary extension of coverage for conversion to a nongroup contract.

If you are interested in continuing your FEHB coverage, you can get additional information and a registration form by calling Mr./Ms. (name) at (telephone number). You can pick up the material at the following address:

(name)
(street address)
(city/state/ZIP + 4)

Sincerely yours,

(signature)
(name of appropriate official)
(title)

(Note: Employing offices that give the notice directly to the employee should add the following note.)

I acknowledge receipt of this notice.

Employee's signature

Date

Attachment A, Sample Notice for an Employee



**UNITED STATES POSTAL SERVICE
(POSTAL FACILITY)
(STREET ADDRESS)
(CITY/STATE/ZIP + 4)**

(date)

Mr. Johnny B. Doe
456 South Street
nytown, USA 00000-0000

Dear Mr. Doe:

Your coverage as a family member in the Federal Employees' Health Benefits (FEHB) Program ended when *(event ending FEHB coverage)*, subject to a 31-day temporary extension of coverage (at no cost to you) for conversion to a nongroup contract.

You also have the right to continue your FEHB coverage temporarily for up to 36 months after the date of *(event ending FEHB coverage)* instead of converting to a nongroup contract at this time. You may select any plan in the FEHB Program in which to continue your coverage if you are eligible to enroll in the plan. If you choose a family enrollment, your spouse and your children will also be covered. To continue your coverage, you must pay the full premium cost (both the employee and Postal Service shares) plus a 2 percent administrative surcharge. If you choose to continue your coverage, during the first 31 days you have the free coverage described above. Your enrollment charges begin on the day after the 31-day period of free coverage ends. If you continue the coverage to the end of the 36-month period, you will have another 31-day temporary extension of coverage for conversion to a nongroup contract.

Enclosed are a registration form and information about your opportunity to continue your coverage. You can get additional information by calling Mr./Ms. *(name)* at *(telephone number)*.

If you want to continue your coverage, your registration form must be received at the address shown below within 60 days after the date of *(event ending FEHB coverage)* or the date you receive this notice, whichever is later. Bring or mail your registration form to:

(name)
(street address)
(city/state/ZIP +4)

Sincerely yours,

(signature)
(name of appropriate official)
(title)

(Note: Employing offices that give the notice directly to the employee should add the following note.)

I acknowledge receipt of this notice.

Employee's signature

Date

Attachment B, Sample Notice for a Child



**UNITED STATES POSTAL SERVICE
(POSTAL FACILITY)
(STREET ADDRESS)
(CITY/STATE/ZIP + 4)**

(date)

Ms. Jane Doe
789 South Street
Anytown, USA 00000-0000

Dear Ms. Doe:

Your coverage as a family member in the Federal Employees' Health Benefits (FEHB) Program ended when *(event ending FEHB coverage)* subject to a 31-day temporary extension of coverage (at no cost to you) for conversion to a nongroup contract.

You also have the right to continue your FEHB coverage temporarily for up to 36 months after your *(event ending FEHB coverage)* instead of converting to a nongroup contract at this time. You may select any plan in the FEHB Program in which to continue your coverage if you are eligible to enroll in the plan. If you choose a family enrollment, it will cover you and individuals who are children of both you and the postal employee under whose enrollment you have been covered. To continue your coverage, you must pay the full premium cost (both the employee and Postal Service shares) plus a 2 percent administrative surcharge. If you choose to continue your coverage, during the first 31 days you have the free coverage described above. Your enrollment charges begin on the day after the 31-day period of free coverage ends or the date of the divorce or annulment, whichever is later. If you continue the coverage to the end of the 36-month period, you will have another 31-day temporary extension of coverage for conversion to a nongroup contract.

Enclosed are a registration form and information about your opportunity to continue your coverage. You can get additional information by calling Mr./Ms. *(name)* at *(telephone number)*.

If you want to continue your coverage, your registration form must be received at the address shown below within 60 days after the date of *(event ending FEHB coverage)* or the date you receive this notice, whichever is later. Bring or mail your registration form and a certified copy of your divorce decree or other document showing the date of the divorce or annulment to:

(name)
(street address)
(city/state/ZIP + 4)

Sincerely yours,

(signature)
(name of appropriate official)
(title)

(Note: Employing offices that give the notice directly to the employee should add the following note.)

I acknowledge receipt of this notice.

Employee's signature

Date

Attachment C, Sample Notice for a Former Spouse



UNITED STATES POSTAL SERVICE
 (POSTAL FACILITY)
 (STREET ADDRESS)
 (CITY/STATE/ZIP + 4)

**Notification of Denial of Eligibility for Temporary Continuation of FEHB Coverage
 Due to Administrative Finding of Gross Misconduct**

(date)

Certified No. _____
 Restricted Delivery
 Return Receipt Requested

(name)
 (street address)
 (city/state/ZIP + 4)

Dear (name):

This is to inform you that temporary continuation of coverage at group rates of Federal Employees' Health Benefits (FEHB) Program will not be available to you due to your involuntary separation from the Postal Service for gross misconduct.

This action is based upon your engaging in the following: *(Identify the gross misconduct with sufficient specificity to enable the employee to understand the basis for the Postal Service's action.)*

The FEHB coverage of an enrolled employee continues temporarily without cost for 31 days after the enrollment terminates for any reason except voluntary cancellation. During this period the enrollee has the right to convert, without evidence of insurability, to a nongroup health benefits contract offered by the health benefits plan. Denial of TCC coverage does not affect your right to exercise this conversion privilege.

This notification will become the final decision of the Postal Service in this matter within 7 calendar days of your receipt of this letter unless you elect to respond to this notice before that date. Your response may be either in person before or in writing to *(designated official, location, and time)*. You are entitled to be represented by an attorney or other representative. If you elect to reply, all the facts in the matter, including your reply, will be given full consideration and a final decision of the Postal Service will be issued.

Sincerely yours,

(signature)
 (name of appropriate official)
 (title)

(Note: For determination of designated official, employing office should refer to XVI-E of this instruction.)

Attachment D, Sample Notice for Gross Misconduct Cases



UNITED STATES POSTAL SERVICE
(POSTAL FACILITY)
(STREET ADDRESS)
(CITY/STATE/ZIP + 4)

Attention All Employees

FEHB

Federal Employees' Health Benefits Program Temporary Continuation of Health Benefits Coverage

The FEHB Program now provides temporary continuation of coverage for certain individuals who lose their FEHB coverage on or after January 1, 1990.

Three groups of individuals are eligible for temporary continuation of coverage:

- Employees who separate from service voluntarily or involuntarily, unless the separation is involuntary due to gross misconduct.
- Children who lose their status as family members.
- Ž Former spouses who lose coverage because they cease to be family members and would not otherwise be eligible for FEHB coverage.

Former employees may continue FEHB coverage under the amended provisions for up to 18 months. Children and former spouses will be able to continue FEHB coverage for up to 36 months.

Note: Individuals who enroll under the temporary continuation of coverage provision must pay the full premium cost (both the employee and Postal Service shares) plus a 2 percent administrative surcharge.

Contact your personnel office for further information.

Please post on all bulletin boards.

Attachment E, Sample Notice for All Employees