



Employee Benefits Handout

Federal Employees Health Benefit Expansion



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Background

Prior to November 17, 2014 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, they 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 based on [Title 5 Code of Federal Regulations \(CFR 890.102\(h\) and \(i\)\)](#).

The Office of Personnel Management issued guidance in the [Benefits Administration Letter 14-210](#) outlining the expansion of FEHB eligibility opportunity for current and new employees on Temporary appointments as well as employees on seasonal or intermittent schedule to enroll in FEHB, if the employee was 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.

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 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.

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).

Determining Eligibility

The following decision factor table is provided in determining eligibility for FEHB enrollment:

STEP	DECISION FACTOR	IF YES ...	IF NO ...
1	Is the employee appointed to or being appointed to a Temporary position?	Go to Step 3	Go to Step 2
2	Is the employee working on an Intermittent or Seasonal (less than 6 months) work schedule?	Go to Step 3	Ineligible for coverage under expanded FEHB coverage provisions.
3	Is the appointment or work schedule for 90 days or more?	Go to Step 5	Go to Step 4
4	Is the appointment or work schedule expected to last at least 90 days?	Go to Step 5	Ineligible for coverage under expanded FEHB coverage provisions. See Note 1
5	Is the employee working 130 or more hours in a month?	Eligible to enroll in FEHB with FULL Government contributions within 60 days of notification from his/her employing office.	Ineligible for coverage under expanded FEHB coverage provisions. See Note 2

Note 1: If at any time the expectation for length of the appointment or work schedule changes to 90 days or more and the employee has worked 130 or more hours in a calendar month, the employee will be eligible to enroll upon notification from the employing office, but no later than the 91st day of employment.

Note 2: Eligible temporary, seasonal, and intermittent employees, for whom the expectation of hours of employment changes to 130 hours or more in a calendar month and are in positions expected last 90 days or more, are eligible to enroll in FEHB upon notification from their employing office.