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# FEHB Program Carrier Letter

## All Carriers

U.S. Office of Personnel Management  
Office of Insurance Programs

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**Letter No. 2007-16**

**Date: April 25, 2007**

Fee-for-service [ 12 ]    Experience-rated HMO [ 10 ]    Community-rated HMO [ 12 ]

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**Subject: Waiver of Requirements for Continued Coverage During Retirement**

On April 17, 2007, OPM published a final regulation in the Federal Register (72 FR 19099) that provides the Office of Personnel Management (OPM) with more flexibility in granting waivers to the eligibility requirements for individuals continuing coverage into retirement. The final regulation becomes effective May 17, 2007.

Under current Federal Employees Health Benefits (FEHB) law and regulations, when a Federal employee retires and becomes an annuitant, he/she is eligible to continue health benefits coverage if all of the following eligibility requirements are met:

- The annuitant is entitled to retire on an immediate annuity under a retirement system for civilian employees (including FERS MRA + 10 retirements); *and*
- The annuitant has been continuously enrolled (or covered as a family member) in any FEHB plan(s) for the 5 years of service immediately before the date the annuity starts, or for the full period(s) of service since the annuitant's first opportunity to enroll (if less than 5 years).

FEHB law also authorizes OPM to waive these eligibility requirements for an individual when, in its sole discretion, it determines that it would be against equity and good conscience not to allow a person to be enrolled in the FEHB Program as an annuitant. The law further states that an individual's failure to satisfy eligibility requirements must be due to exceptional circumstances.

Previous FEHB regulations listed specific situations where a waiver would not be granted by OPM such as when an individual's retirement is based on a disability or an involuntary separation, or when an individual was misadvised by his/her employing office. The final regulation eliminates these specific situations from the regulations providing more flexibility to the waiver process.

Sincerely,

Robert F. Danbeck  
Associate Director  
for Human Resources Products and Services