

Attachment 2: Process Enrollment Actions

Agency Benefits Officers' Responsibilities for Processing FEHB Enrollment Actions

1. **Prompt Processing** – It is important that you process Open Season enrollments and enrollment changes promptly. Payroll offices should process enrollee and carrier copies of Standard Form (SF) 2809 **daily**.
2. **Please be sure copies of the SF 2809 are transmitted to both the gaining and losing carriers.** In many cases, the agency sends the SF 2809 only to the gaining carrier. This results in the losing carrier continuing to expect premiums to be paid for the enrollees and family members, and to make erroneous payment of claims and provision of services.
3. **Verification of Employee Coverage** – Employees become concerned when they do not receive their identification cards from a new plan within a short time after the end of Open Season. If an employee asks you about this, you **must** contact the payroll office to determine when the carrier was notified of the change. If more than three weeks have passed since the payroll office sent the SF 2809 to the carrier, contact the carrier to determine the reason for the delay and relay the employee's request for identification cards.

An employee may need verification of coverage under his/her plan before the carrier processes the enrollment or enrollment change. You should verify the employee is covered under the plan and inform the requesting party (e.g., carrier, doctor, and hospital) of the effective date of coverage. You should also remind employees that their copy of the SF 2809 is acceptable as proof of enrollment (except for prescription drugs) until they receive their identification cards from the plan. Employees who make Open Season changes using an agency electronic enrollment system and who do not receive new identification cards by the effective date of the change may obtain a letter confirming their coverage by calling the Help Desk at their agency's self-service system or by requesting your help.

Processing Qualifying Life Events (QLE) During Open Season

An employee may experience a QLE during Open Season. The effective date of an enrollment or enrollment change due to a QLE may differ from the effective date of an Open Season enrollment or enrollment change. Be sure to process these actions correctly as QLE elections and not Open Season elections. If you have questions regarding the employee's intent, check with your employee to verify whether he/she is seeking a QLE election or an Open Season election. Counsel your employees on the impact and differences between elections.

FEHB Enrollment Reconciliation

The large number of FEHB enrollment actions made during Open Season increases the chance of errors by agencies or by carriers in updating records. Any errors will be identified as discrepancies through the Centralized Enrollment Reconciliation Clearinghouse System (CLER) during the March 2021 reconciliation cycle. It is very important that agencies work with the carriers to correct these discrepancies.

The reconciliation process is critical to ensure that carriers receive the proper premium payments and that enrollees are properly reflected on the carriers' records for accurate provision of services or claims payment.

Belated Enrollment Actions

- 1. FSAFEDS – Agencies do not have the authority to approve FSAFEDS belated enrollments.** Employees who are unable to enroll during the entire Open Season for reasons beyond their control may qualify for a belated enrollment. They must submit the Belated Enrollment Form (available at www.FSAFEDS.com) to WageWorks within 30 days after Open Season ends. Instructions are on the form. Belated enrollments are effective the day after FSAFEDS receives the employee's form.
- 2. FEDVIP – Agencies do not have the authority to approve FEDVIP belated enrollments.** BENEFEDS makes these decisions on behalf of the FEDVIP carriers. The time limit for enrolling or changing an enrollment may be extended for up to 3 months after the end of Open Season, only if the employee provides evidence to BENEFEDS that he/she was unable to enroll or change enrollment in a timely manner due to circumstances beyond his/her control. Not knowing about Open Season is not an acceptable reason for a belated enrollment. This includes receiving incorrect information from the agency. The employee must enroll or change enrollment within 30 days after BENEFEDS notifies him/her that the belated enrollment is approved.

For approved belated FEDVIP enrollments or belated changes in enrollments, the effective date will be retroactive to January 1, 2021. BENEFEDS will begin withholding premiums prospectively from the enrollee's pay and will then bill the enrollee directly for the retroactive premiums on the next billing cycle. If an enrollee does not pay the retroactive premiums timely, his/her enrollment will be cancelled retroactively as if it never existed and he/she will be responsible for repaying any benefits received.

- 3. FEHB – You do not have the authority to extend the Open Season for your employees or a group of your employees, even if your agency did not provide adequate notice or information regarding the Open Season.** However, you have the authority to accept individual late elections if you determine an employee was unable to submit the election on time due to circumstances beyond the employee's control. While we normally encourage you to make limited use of this authority, we recommend that you take a liberal view in cases where an employee's plan is terminating its FEHB participation or reducing its service area.

If you decide to accept an employee's late election, write "Belated Open Season enrollment/change" in the "Remarks" section of the SF 2809. You must attach the employee's statement explaining why he/she could not enroll or change on time (or add your own note if the reason was an agency problem) to Copy 1 (the Official Personnel Folder copy) of the SF 2809. If you decide the delay in filing was not due to a cause beyond the employee's control, do not accept the employee's late request. You must notify the employee in writing that you are not approving the late enrollment. You should give the

reason for your denial and include a statement of the employee's right to request reconsideration within 30 days after the date of your notice.

An accepted belated FEHB Open Season enrollment is effective retroactive to the first day of the first pay period which begins on or after January 1, 2021. This effective date is the same as that of an Open Season change filed on time. If the belated change is from "not enrolled" to "enrolled," the requirement of having been in pay status during the preceding pay period must also be met.

As with all enrollments, belated Open Season enrollment actions are automatically subject to premium conversion (unless participation in premium conversion is waived). If premium conversion is not waived, since Internal Revenue Service (IRS) rules allow for no retroactive adjustments to taxable income, the effective date of premium conversion cannot be retroactive. This means any additional withholding for retroactive premiums that are due must be made with after-tax dollars. For an example of the impact of a belated change on taxable income, please review this FAQ at www.opm.gov/faqs/topic/insure/index.aspx?cid=e5aa4df4-5f24-4d7a-9373-a0843dc852a4.

FEHB Enrollment Cancellations

Cancellation of FEHB – An Open Season cancellation is effective at the end of the day before the first day of the first pay period that begins in the next year.

Note: Cancellation can have serious consequences. In order to continue FEHB coverage after retirement, an employee must have been covered under the FEHB Program continuously for the five years of service immediately before retirement or, if less than five years, for all periods of service during which he/she was eligible for FEHB coverage.

If an employee is canceling his/her FEHB enrollment in order to be covered as a family member by a spouse's FEHB Open Season enrollment, be sure to coordinate the effective date of the cancellation with the effective date of the spouse's enrollment to prevent a break in coverage. Coverage under a family member's FEHB enrollment counts towards the "five-year rule" for continuing coverage into retirement.