



Benefits Administration Letter

Number: 06-201

Date: February 8, 2006

Subject: Federal Employees Health Benefits (FEHB) Program: Annuitants, Survivors and Former Spouses May Suspend FEHB Coverage to Use Peace Corps Health Insurance Coverage

This letter is to notify you that the Office of Personnel Management (OPM) published an interim regulation in the Federal Register on November 30, 2005 (70 FR 71749) that allows FEHB annuitants, survivors, and former spouses (who are enrolled under the Spouse Equity provisions of FEHB law) to suspend their FEHB coverage to use the Peace Corps insurance program. The regulation also allows these individuals to reenroll in the FEHB Program immediately if they involuntarily lose their Peace Corps coverage, or during the annual FEHB open season.

OPM's Retirement Services Programs will process Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) annuitant, survivor, and former spouse requests to suspend FEHB coverage and reenroll. Other retirement systems (including the Office of Workers' Compensation Programs (OWCP)) will process suspensions and reenrollments for their FEHB annuitants (including compensationers), survivors, and former spouses. Agency personnel offices will process suspensions and reenrollments for former spouses that the agency is responsible for.

If you are maintaining an FEHB enrollment for an annuitant (or compensationer), survivor or former spouse who enters the Peace Corps and wants to suspend their enrollment, you must develop procedures for suspending enrollments and processing reenrollments consistent with the new regulation. For example, before processing a suspension, OPM requires CSRS and FERS annuitants to complete a form (RI 79-9) to request suspension of FEHB coverage as of a specific date and submit proof that they are eligible for Peace Corps health insurance coverage. Once OPM receives the form and proof of coverage, they will notify FEHB health plans of the suspension.

Other retirement systems, OWCP, or agency personnel offices that process annuitant, survivor, or former spouse suspensions and reenrollments should require similar documentation and have the individual request suspension by completing Part G of SF 2809. Since the current SF 2809 does not include the Peace Corps in the instructions for Part G, note in the "Remarks" section, "Change to 5 CFR Part 890 allows suspension when eligible for Peace Corps coverage." The next time we revise the SF 2809, the form will reflect this regulatory change.

If you feed FEHB enrollment transactions to the OPM Macon Data Hub and the enrollee is suspending enrollment, send Macon a "Stop" transaction. When the enrollee returns to FEHB,

send Macon a “Start” transaction. Macon will forward these transactions on to the appropriate FEHB carrier.

This regulatory change applies only to annuitants, survivors, and former spouses, all of whom may suspend their enrollment at anytime for the purpose of using their Peace Corps coverage. Suspended enrollees who involuntarily lose Peace Corps coverage can reenroll immediately during the period beginning 31 days before to 60 days after the date they lose Peace Corps coverage. Otherwise they must wait until the next FEHB open season to reenroll.

If an *employee* with FEHB volunteers for the Peace Corps and enters a leave without pay status or pay is insufficient to cover premiums, follow the same procedures as you would for all employees who begin nonpay status. The FEHB Handbook contains additional information on employees who enter leave without pay at [Leave Without Pay Status and Insufficient Pay Page 1 of 2](#),

An employee with FEHB who volunteers for the Peace Corps and does not enter a nonpay status, but wants to cancel enrollment may do so during an FEHB open season or within 60 days of gaining Peace Corps health coverage. An employee who does not participate in premium conversion may cancel at any time. The FEHB Handbook contains additional information on cancellation at <http://www.opm.gov/insure/handbook/fehb15.asp#CANCELLATION>.

If you have any employees who enter the Peace Corps and want to either terminate or cancel their FEHB, please remind them that they must be enrolled in FEHB on the date they retire in order to continue FEHB after retirement. In the event of their death, they must have a self and family FEHB enrollment on the date of death in order for any survivor annuitants to continue the enrollment.

If you have any questions regarding this letter, please contact Mike Kaszynski at 202-606-0004 or through email at mwkaszyn@opm.gov.

Sincerely,

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Associate Director
for Human Resources Products and Services