

# Health Care Reform FEHB *FastFacts*

## How Does the Affordable Care Act's Individual Shared Responsibility Provision and the **Requirement to Maintain Minimum Essential Coverage AFFECT ME?**

Under the Patient Protection and Affordable Care Act, Public Law 111-148 and the Health Care and Education Reconciliation Act of 2010, Public Law 111-152 (collectively, the Affordable Care Act), the Federal government, state governments, insurers, employers, and individuals are given shared responsibility to reform and improve the availability, quality, and affordability of health insurance coverage in the United States.

Beginning January 1, 2014, the **Affordable Care Act's individual shared responsibility provision requires each individual (including children)** to:

- maintain minimum essential health coverage (known as "minimum essential coverage" or "MEC") for each month; **or**
- qualify for an exemption; **or**
- make a payment when filing his or her Federal income tax return.

**Children and other Federal income tax dependents must have minimum essential coverage or qualify for an exemption for each month in a calendar year. Otherwise, the adult or married couple who can claim a child or other individual as a dependent for Federal income tax purposes will owe a payment.**

For more information on how the individual shared responsibility provision affects individuals claiming dependents, please visit the IRS website at website at

[www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision](http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision).

### **1. Does FEHB coverage qualify as minimum essential coverage (MEC)?**

Yes, according to the Affordable Care Act, codified at 26 U.S.C. § 5000A(f), MEC includes an eligible employer-sponsored plan that is a Federal Governmental Plan as defined under the Public Health Service Act. All FEHB plans are eligible employer-sponsored plans and provide minimum essential coverage (MEC). Therefore, FEHB plans meet the definition of MEC.

### **2. Do all FEHB plans and enrollment options qualify as MEC?**

Yes.

### **3. Does coverage through the FEHB Temporary Continuation of Coverage (TCC) or Spouse Equity provisions qualify as MEC?**

Yes, the requirement to maintain MEC is satisfied for individuals covered under FEHB plans through TCC or Spouse Equity provisions.

### **4. Does FEHB coverage for eligible tribal employees (including their eligible family members under a Self and Family enrollment) of tribal employers participating in the FEHB Program qualify as MEC?**

Yes.

**Do not rely solely on this fact sheet.**

**For more information, always refer to the IRS website at <http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision>**

**5. Is the individual requirement for MEC satisfied for FEHB-eligible employees, annuitants, and family members who are:**

**A. Enrolled in FEHB Coverage**

Yes, the individual requirement to maintain MEC is satisfied for individuals covered as an enrollee under a FEHB plan.

**B. Covered under a spouse's or parent's FEHB self and family enrollment**

Yes, the individual requirement to maintain MEC is satisfied for those individuals covered as a family member under the FEHB plan.

**C. Not enrolled or covered under a FEHB plan**

It depends. Individuals who are eligible but not enrolled or covered under a FEHB Plan should review the IRS information on individual shared responsibility and the requirement to maintain MEC, available online at: [www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision](http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision). Coverage under a health plan other than FEHB or under certain Government sponsored programs may satisfy the MEC requirement for these individuals. Further, the IRS website contains guidance on exemptions from the MEC requirement and other detailed information.

**6. If you are an employee who is not enrolled in FEHB (but is eligible to enroll in FEHB) and you do not have other MEC or you do not qualify for an exemption,** then you may enroll in the FEHB Program for 2014 during the annual Federal Benefits Open Season. The 2013 Open Season runs from November 11, 2013 through December 9, 2013. Please visit our website at [www.opm.gov/insure](http://www.opm.gov/insure) for details.

Generally for most Federal employees, 2013 Open Season FEHB enrollments are effective on the first day of the first full pay period that begins in January 2014. Even though employees and/or their FEHB-eligible family members may not be covered for all of January 2014, the individual shared responsibility requirement to maintain MEC for those individuals will be satisfied because having coverage for at least one day during the month is treated as having coverage for the month.

For tribal employees of tribal employers, 2013 Open Season FEHB enrollments are effective on January 1, 2014.

Additionally, employees who are eligible for FEHB coverage, but who are not currently enrolled may enroll in an FEHB plan if they experience a Qualifying Life Event (QLE). Generally, the effective date for an FEHB enrollment due to a QLE is the first day of the first pay period that begins after the date the employing office receives the Standard Form 2809 to enroll and that follows a pay period during any part of which the employee is in pay status. For information on QLEs, please visit the OPM website at [www.opm.gov/healthcare-insurance/healthcare/reference-materials/reference/enrollment/](http://www.opm.gov/healthcare-insurance/healthcare/reference-materials/reference/enrollment/).

**Note:** If you are an annuitant who is not currently enrolled in FEHB (and you were not enrolled in the FEHB or covered as a family member under another FEHB enrollment when you retired), you cannot enroll in FEHB. Please visit the IRS website at [www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision](http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision) for details on other types of MEC as well as exemptions and payments.

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**For more information, always refer to the IRS website at <http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision>**

**7. If you are an employee or annuitant or eligible family member who lives abroad, are you subject to the individual shared responsibility for MEC?**

**Yes.** However, US citizens who live abroad for a calendar year (or at least 330 days within a 12 month period) are treated as having MEC for the year (or period). Please visit the IRS website at [www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision](http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision) for details on the individual shared responsibility provision for US citizens living abroad. For more information on this topic, please consult your tax advisor.

**8. If you are an employee or annuitant or eligible family member who is a resident of a United States territory, are you subject to the individual shared responsibility provisions?**

All bona fide residents of the United States territories are treated by law as having MEC and are not required to take any action to comply with the individual shared responsibility provisions. For more information on this topic, please consult your tax advisor.

**9. If you are an employee or annuitant and you do not have FEHB coverage for yourself and/or your dependents,** then you should review the information on the IRS website at [www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision](http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision) regarding the individual shared responsibility requirements. You should determine if you and/or dependents you claim on your Federal income tax return have (or will have) MEC via another health insurance program, including coverage you may purchase through the Health Insurance Marketplace (also known as the Affordable Insurance Exchanges). Alternatively, information on the IRS website may help you determine if you qualify for an exemption, or if you may have to make a payment with your 2014 Federal income tax return.

**10. If you are an employee or annuitant and you are considering cancelling your FEHB enrollment,** then you should review the information on the IRS website at [www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision](http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision) regarding the individual shared responsibility requirements.

**11. If you are an employee or annuitant and your FEHB enrollment will be terminating,** then you should review the information on the IRS website at [www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision](http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision) regarding the individual shared responsibility requirement.

**12. If you and/or your FEHB-eligible family members have FEHB coverage through the Temporary Continuation of Coverage (TCC) or the Spouse Equity provisions,** then the individual shared responsibility requirement for MEC is satisfied for yourself and/or your FEHB-eligible family members.

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