This letter announces revisions to the reporting procedures for the Semiannual Headcount. The first applies to all agencies, whereas the second applies only to agencies that perform payroll cross-servicing activities. These revisions are effective for March 1998 reporting.

HEADCOUNT CHANGE FOR ALL AGENCIES

Public Law 105-33 changed the formula used to compute the government share of the premiums for Federal Employees Health Benefits Program (FEHB) coverage. As a consequence, it has become necessary, for rate-setting purposes, to differentiate enrollees for whom the employing agency contributes a portion of the FEHB premium from those for whom it does not.

For Headcount reporting, therefore, we will require a separate SF 2812-A -- Report of Withholdings by Health Benefit Enrollment Code -- for each of the following categories of enrollees (be sure to place the name of the category being reported on each SF 2812-A):

- **Employees/Annuitants.** This SF 2812-A will include only employees and/annuitants. The dollars and enrollment reported on this SF 2812-A must agree with Line B1 - Regular - of the Supplemental Semiannual Headcount Report (OPM Form 1523).

- **Former Spouses.** Report only dollar and enrollment data for Former Spouses. The totals on this SF 2812-A will be included in the amounts reported for Payers of Full Premiums (Line B2) on the OPM Form 1523.

- **Temporary Continuation of Coverage (TCC).** This SF 2812-A will contain only dollars and enrollment data for individuals enrolled under the provisions of TCC. The totals on this SF 2812-A will be included in the amounts reported for Payers of Full Premiums (Line B2) on the OPM Form 1523.

- **Temporary Employees.** This SF 2812-A will contain dollars and enrollment data for temporary employees. The totals on this form will also be included in the amounts reported for Payers of Full Premiums (Line B2) on the OPM Form 1523.
Please ensure that the total on Line B2 is equal to the sum of the amounts reported on the SF 2812-A for Former Spouses, TCC and Temporary Employees.

This change is for Headcount reporting only -- it requires no changes to Retirement and Insurance Transfer System (RITS) or hard-copy SF 2812 reporting. In other words, for RITS and hard-copy SF 2812 submissions, a single SF 2812-A will still be required.

HEADCOUNT CHANGES FOR AGENCIES WHICH CROSS-SERVICE PAYROLL

The consolidation of payroll activities throughout the Government has made it difficult for us to collect certain information we need for the rate-setting process. More specifically, some agencies that cross-service payroll activities do not now report to us enrollments in the employee benefit programs by individual agency.

Thus, with the March 1998 Headcount reporting, the following requirements will be in effect:

- You must submit separate Headcount (that is, the SF 1523 and applicable SF 2812-As) for each agency (not payroll office) you cross-service.

  EXCEPTION: If you cross-service agencies having less than 50 total employees, you need not submit separate Headcounts. Instead, provide a listing of those agencies with your Headcount.

- Your Headcounts by individual agency must be identified by a payroll office number in block 2 of the SF 1523, as follows:
  - If you cross-service an agency that has more than one payroll office, use its agency code, followed by six number 8’s. For example, for the Department of Commerce, you would report a "13" (its agency code) followed by 6 numeral 8s or 13-88-8888.
  - If an agency you cross-service has a single payroll office, you may use either its actual payroll office number or its agency code, followed by the six number 8’s, as above.

    IMPORTANT: Please inform us of any new payroll office numbers you will be using for Headcount Purposes -- so we can enter them into our systems and avoid their being rejected by our edits.

- If you submit consolidated RITS reporting for the payroll offices you service, you must submit, in addition to the separate Headcount by agency, a consolidated Headcount report. [Important: see the revised RITS reporting requirements, for fiscal year 1999 below].
FUTURE RETIREMENT AND INSURANCE TRANSFER SYSTEM (RITS) CHANGES FOR AGENCIES WHICH CROSS-SERVICE

In the near future we will be issuing guidelines that will effect RITS reporting for certain agencies that cross-service payroll. New guidelines by the Financial Management Service, governing our reporting to the Federal Agency Centralized Trial Balance System (FACTS), requires that we revise RITS reporting requirements. Accordingly if you now consolidate two or more payroll offices in your RITS reporting, we will be requiring that you submit separate RITS reports by payroll office. This requirement will be effective no later than September 30, 1998, so that we may meet our fiscal year 1999 reporting obligations.

If you have any questions on any of the matters discussed in this letter, please call us on (202) 606-7945 or send an email, finance@opm.gov.

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