Office of Personnel Management

§ 890.502

(a) Employee and annuitant withholdings and contributions. (1) Employees and annuitants are responsible for paying the enrollee share of the cost of enrollment for every pay period during which they are enrolled. An employee or annuitant incurs a debt to the United States in the amount of the proper employee or annuitant withholding required for each pay period during which they are enrolled if the appropriate health benefits withholdings or direct premium payments are not made.

(2) An individual is not required to pay withholdings for the period between the end of the pay period in which he or she separates from service and the commencing date of an immediate annuity, if later.

(3) Temporary employees who are eligible to enroll under 5 U.S.C. 8906a must pay the full subscription charges including both the employee share and the Government contribution. Employees with provisional appointments under §316.403 of this chapter are not considered eligible for coverage under 5 U.S.C. 8906a.

(b) Procedures when an employee enters a leave without pay (LWOP) status or pay is insufficient to cover premium. The employing office must tell the employee about available health benefits choices as soon as it becomes aware that an employee’s premium payments cannot be made because he or she will be or is already in a leave without pay (LWOP) status or any other type of nonpay status. (This does not apply when nonpay is as a result of a lapse of appropriations.) The employing office must also tell the employee about available choices when an employee’s pay is not enough to cover the premiums.

(1) The employing office must give the employee written notice of the choices and consequences as described in paragraphs (b)(2)(i) and (ii) of this section and will send a letter by first class mail if it cannot give it to the
(2) The employee must elect in writing to either continue health benefits coverage or terminate it. (Exception: An employee who is subject to a court or administrative order as discussed in §890.301(g)(3) cannot elect to terminate his or her enrollment as long as the court/administrative order is still in effect and the employee has at least one child identified in the order who is still eligible under the FEHB Program, unless the employee provides documentation that he or she has other coverage for the child(ren).) The employee may continue coverage by choosing one of the following ways to pay and returning the signed form to the employing office within 31 days after he or she receives the notice (45 days for an employee residing overseas). When an employee mails the signed form, its postmark will be used as the date the form is returned to the employing office. If an employee elects to continue coverage, he or she must elect in writing one of the following:

(i) Pay the premium directly to the agency and keep the payments current. The employee must also agree that if he or she does not pay the premiums currently, the employing office will recover the amount of accrued unpaid premiums as a debt under paragraph (b)(2)(ii) of this section.

(ii) If the employee does not wish to pay the premium directly to the agency and keep payments current, he or she may agree that upon returning to employment or upon pay becoming sufficient to cover the premiums, the employing office will deduct, in addition to the current pay period’s premiums, an amount equal to the premiums for a pay period during which the employee was in a leave without pay (LWOP) status or pay was not enough to cover premiums. The employing office will continue using this method to deduct the accrued unpaid premiums from salary until the debt is recovered in full. The employee must also agree that if he or she does not return to work or the employing office cannot recover the debt in full from salary, the employing office may recover the debt from whatever other sources it normally has available for recovery of a debt to the Federal Government.

(3) If the employee does not return the signed form within the time period described in paragraph (b)(2) of this section, the employing office will terminate the enrollment and notify the employee in writing of the termination.

(4)(i) If the employee is prevented by circumstances beyond his or her control from returning a signed form to the employing office within the time period described in paragraph (b)(2) of this section, he or she may write to the employing office and request reinstatement of the enrollment. The employee must describe the circumstances that prevented him or her from returning the form. The request for reinstatement must be made within 30 calendar days from the date the employing office gives the employee notice of the termination. The employing office will determine if the employee is eligible for reinstatement of coverage. When the determination is affirmative, the employing office will reinstate the coverage of the employee retroactive to the date of termination. If the determination is negative, the employee may request a review of the decision from the employing agency (see §890.104).

(ii) If the employee is subject to a court or administrative order as discussed in §890.301(g)(3), the coverage cannot terminate. If the employee does not return the signed form, the coverage will continue and the employee will incur a debt to the Federal Government as discussed in paragraphs (b)(2)(i) and (b)(2)(ii) of this section.

(5) Terminations of enrollment under paragraphs (b)(2) and (3) of this section are retroactive to the end of the last pay period in which the premium was withheld from pay. The employee and covered family members, if any, are entitled to the temporary extension of coverage for conversion and may convert to an individual contract for health benefits. An employee whose coverage is terminated may enroll upon his or her return to duty in pay status in a position in which the employee is eligible for coverage under this part.
(c) Procedures when agency underwithholds premiums. (1) An agency that
withholds less than the amount due for
health benefits contributions from an
individual’s pay, annuity, or compensa-
tion must submit an amount equal to
the uncollected employee contribu-
tions and any applicable agency con-
tributions to OPM for deposit in the
Employees Health Benefits Fund.

(2) The agency must make the de-
posit to OPM as soon as possible, but
no later than 60 calendar days after it
determines the amount of an under-de-
duction that has occurred, regardless
of whether or when the agency recovers
the under-deduction. A subsequent
agency decision on whether to waive
collection of the overpayment of pay
caused by failure to properly withhold
employee health benefits contributions
will be made under 5 U.S.C. 5584 as im-
plemented by 4 CFR chapter I, sub-
chapter G, unless the agency involved
is excluded from 5 U.S.C. 5584, in which
case any applicable authority to waive
the collection may be used.

(d) Direct premium payments for annu-
itants. (1) If an annuity, excluding an
annuity under subchapter III of chap-
ter 84 (Thrift Savings Plan), is too low
to cover the health benefits premium,
or if a surviving spouse receives a basic
employee death benefit, the retirement
system must provide written informa-
tion to the annuitant or surviving
spouse. The information must describe
the health benefits plans available, and
include the opportunity to either:

(i) Enroll in a health benefits plan in
which the enrollee’s share of the pre-
mium is less than the annuity amount;
or

(ii) Pay the premium directly to the
retirement system.

(2) The retirement system must ac-
cept direct payment for health benefits
premiums in these circumstances. The
annuitant or surviving spouse must
continue direct payment of the pre-
mium even if the annuity increases to
the extent that it covers the premium.

(3) The annuitant or surviving spouse
must pay the retirement system his or
her share of the premium for the en-
rollment for every pay period during
which the enrollment continues, except
for the 31-day temporary extension of
coverage. The individual must make
the payment after each pay period in
which he or she is covered using a
schedule set up by the retirement sys-
tem. If the retirement system does not
receive payment by the due date, it
must notify the individual in writing
that continued coverage depends upon
payment being made within 15 days (45
days for annuitants or surviving
spouses residing overseas) after the no-
tice is received. If no subsequent pay-
ments are made, the retirement system
terminates the enrollment 60 days
after the date of the notice (90 days for
annuitants or surviving spouses resid-
ing overseas). An annuitant or sur-
viving spouse whose enrollment termi-
nated due to nonpayment of premium
may not reenroll or reinstate coverage
unless there are circumstances beyond
his or her control as provided in para-
graph (d)(4) of this section.

(4) If the annuitant or surviving
spouse is prevented by circumstances
beyond his or her control from paying
the premium within 15 days after re-
ceiving the notice, he or she may ask
the retirement system to reinstate the
enrollment by writing the retirement
system. The individual must describe
the circumstances and send the request
within 30 calendar days from the termi-
nation date. The retirement system
will determine if the annuitant or sur-
viving spouse is eligible for reinstate-
ment of coverage. When the determina-
tion is affirmative, the retirement sys-
tem will reinstate the coverage retro-
active to the date of termination. If
the determination is negative, then the
individual may request a review of the
decision from the retirement system,
as described in §890.104.

(5) Termination of enrollment for
failure to pay premiums within the
time frame described in paragraph
(d)(3) of this section is retroactive to
the end of the last pay period for which
payment was timely received.

(6) The retirement system will sub-
mit all direct premium payments along
with its regular health benefits pre-
miums to OPM according to procedures
established by OPM.

(e) Procedures for direct payment of
premiums during LWOP after 365 days.
(1) An employee who is granted leave
without pay (LWOP) under subpart L
of part 630 of this chapter (Family and
Medical Leave) after 365 days of continued coverage under §890.303(e) must pay the employee contributions directly to the employing office and keep payments current.

(2) The employee must make payments after the pay period in which the employee is covered according to a schedule set up by the employing office. If the employing office does not receive the payment by the date due, it must notify the employee in writing that continued coverage depends upon payment being made within 15 days (45 days for employees residing overseas) after the notice is received. If no subsequent payments are made, the employing office terminates the enrollment 60 days after the date of the notice (90 days for enrollees residing overseas).

(3) If the enrollee was prevented by circumstances beyond his or her control from making payment within the timeframe in paragraph (e)(2) of this section, he or she may ask the employing office to reinstate the enrollment by writing to the employing office. The employee must file the request within 30 calendar days from the date of termination and must include supporting documentation.

(4) The employing office determines whether the employee is eligible for reinstatement of coverage. When the determination is affirmative, the employing office will reinstate the coverage of the employee retroactive to the date of termination. If the determination is negative, the employee may request the employing agency to review the decision as provided under §890.104.

(5) An employee whose coverage is terminated under paragraph (e)(2) of this section may enroll if he or she returns to duty in a pay status in a position in which the employee is eligible for coverage under this part.

(f) **Uniformed services.** (1) Except as provided in paragraph (f)(2) of this section, an employee whose coverage continues under §890.303(1) is responsible for payment of the employee share of the cost of enrollment for every pay period for which the enrollment continues for the first 365 days of continued coverage as set forth under paragraph (b) of this section. For coverage that continues after 365 days in nonpay status, the employee must pay, on a current basis, the full subscription charge, including both the employee and Government shares, plus an additional 2 percent of the full subscription charge.

(2) As provided by 5 U.S.C. 8906(e)(3), an employing agency may pay both the Government and employee contributions and any additional administrative expenses for the cost of coverage for the employee and the employee’s family for a period of 24 months for employees called or ordered to active duty in support of a contingency operation on or after September 14, 2001. The payment of Government and employee contributions and any additional administrative expenses authorized by this section only applies to employees while they are serving in support of a contingency operation, and eligibility for these payments terminates when the employee ceases to be on orders for a contingency operation. Payment of these contributions and expenses is solely at the discretion of the employing agency.

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**Editorial Note:** For Federal Register citations affecting §890.502, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at www.fdsys.gov.