The uniform plan shall be open to all eligible retired employees and members of their families, without regard to race, sex, health status, or age. It shall not deny or limit benefits because of any preexisting condition. It shall offer basic plus major medical coverage. It shall provide a 31-day extension of coverage on termination of subscription other than by change of election or termination of the contract. A person confined in hospital for care or treatment on the 31st day of the extension of coverage shall be entitled to continuation of the benefits of the contract during the continuance of the confinement, but not beyond the 60th day following the end of the extension of coverage. The uniform plan shall be experience-rated.

[33 FR 12516, Sept. 4, 1968, as amended at 43 FR 35018, Aug. 8, 1978]

§ 891.502 Standards for carrier of uniform plan.

In the most recent year for which data are available, the carrier of the uniform plan shall have made at least 1 percent of all group health insurance benefit payments in the United States. If the carrier is an insurance company, it must be licensed to issue group health insurance in all the States of the United States and the District of Columbia.

PART 892—FEDERAL FLEXIBLE BENEFITS PLAN: PRE-TAX PAYMENT OF HEALTH BENEFITS PREMIUMS

Subpart A—Administration and General Provisions

Sec.
892.101 Definitions
892.102 What is premium conversion and how does it work?
892.103 What can I do if I disagree with my agency’s decision about my pre-or post-tax election?

Subpart B—Eligibility and Participation

892.201 Who is covered by the premium conversion plan?
892.202 Are retirees eligible for the premium conversion plan?
892.203 When will my premium conversion begin?
892.204 How do I waive participation in premium conversion before the benefit first becomes effective?
892.205 May I waive participation in premium conversion after the initial implementation?
892.206 Can I cancel my waiver and participate in premium conversion?
892.207 Can I change my enrollment from self and family to self only at any time?
892.208 Can I cancel FEHB coverage at any time?
892.209 Does premium conversion change the effective date of an FEHB enrollment, change in enrollment, or cancellation of enrollment?
892.211 What options are available to me if I go on a period of leave without pay (LWOP) or other types of non-pay status?

Subpart C—Contributions and Withholdings

892.301 How do I pay my premium?
892.302 Will the Government contribution continue?
892.303 Can I pay my premiums directly by check under the premium conversion plan?

Subpart D—Reemployed Annuitants and Survivor Annuitants

892.401 Am I eligible for premium conversion if I retire and then come back to work for the Federal Government?
892.402 I am a survivor annuitant as well as an active Federal employee; am I eligible for premium conversion?

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SOURCE: 65 FR 44646, July 19, 2000, unless otherwise noted.

Subpart A—Administration and General Provisions

§ 892.101 Definitions.

Days mean calendar days.

Dependent means a family member who is both eligible for coverage under the FEHB Program and either a dependent as defined in section 152 of the Internal Revenue Code or a child as defined in section 152(f)(1) of the Internal Revenue Code who is under age 27 as of the end of the employee’s taxable year.
§ 892.101

FEHB Program means the Federal Employees Health Benefits Program described in 5 U.S.C. 8901.

Open Season means the period of time each year as described in §890.301(f) of this chapter when all individuals eligible for FEHB coverage have the opportunity to enroll or change their enrollment. These changes become effective with the first pay period that begins in the following year. For additional open seasons authorized by OPM, the effective date is specified.

OPM means the Office of Personnel Management.

Qualifying life event means an event that may permit changes to your FEHB enrollment as well as changes to your premium conversion election as described in Treasury regulations at 26 CFR 1.125–4. For purposes of determining whether a qualifying life event has occurred under this part, a stepchild who is the child of an employee’s domestic partner as defined in part 890 of this chapter shall be treated as though the child were a dependent within the meaning of 26 CFR 1.125–4 even if the child does not so qualify under such Treasury regulations. Such events include the following:

1. Change in family status that results in an increase or decrease in the number of eligible family members as follows:
   (i) Marriage, divorce, annulment, legal separation;
   (ii) Birth, adoption, acquiring a foster child that meets the definition in §890.101(a) or a stepchild, issuance of a court order requiring an employee to provide coverage for a child;
   (iii) Last dependent child loses coverage, for example, the child reaches age 26, disabled child becomes capable of self support, child acquires other coverage by court order; and
   (iv) Death of a spouse or dependent.

2. Any change in employment status that could result in entitlement to coverage, for example:
   (i) Reemployment after a break in service of more than 3 days;
   (ii) Return to pay status from non-pay status if employee previously elected to terminate coverage (if employee did not elect to terminate see §892.101 (5);
   (iii) Return to receiving pay sufficient to cover premium withholdings if coverage terminated;
   (iv) Your spouse or dependent changes hours from either full-time to part-time status, or the reverse, which significantly affects their eligibility for coverage;
   (v) Start or end of a period of unpaid leave of absence (leave without pay [LWOP], or other non-pay status) by you or your spouse. A period of unpaid leave is a continuous unpaid leave of absence of more than one pay period; and
   (vi) Start or end of your spouse’s employee’s employment that affects you or your spouse’s eligibility for coverage.

3. Any change in employment status that could affect the cost of insurance, including:
   (i) Change from temporary appointment with eligibility for coverage under 5 U.S.C. 8906a to an appointment that permits receipt of government contribution; and
   (ii) Change from full-time to part-time status or the reverse.

4. An employee is restored to a civilian position after serving in uniformed services as described in §890.304 (a)(vi)(vii).

5. Start of non-pay status and end of non-pay status if employee did not terminate coverage (if coverage terminated see §892.101 (2)(i(i)).

6. An employee enrolled in a health maintenance organization (HMO) or a covered family member moves or becomes employed outside the geographic area from which the carrier accepts enrollments, or if already lives or works outside the area, moves further from this area.

7. Transfer from a post of duty within the United States to a post of duty outside the United States, or the reverse.

8. Separation from Federal employment when the employee or employee’s spouse is pregnant.

9. An employee becomes entitled to Medicare. (For change to self only, cancellation, or change in premium conversion status see §892.101 (11)).

10. An employee or eligible family member loses coverage under FEHB or another group insurance coverage including the following:
§ 892.102 What is premium conversion and how does it work?

Premium conversion is a method of reducing your taxable income by the amount of your contribution to your FEHB insurance premium. If you are a participant in the premium conversion plan, Section 125 of the Internal Revenue Code allows you to reduce your salary (through an employer allotment) and provide that portion of your salary back to your employer. Instead of being paid to you as taxable income, this allotted amount is used to purchase your FEHB insurance for you. The effect is that your taxable income is reduced. Because taxable income is reduced, the amount of tax you pay is reduced. You save on Federal income tax, Social Security and Medicare tax and in most States and localities, State and local income taxes. There is one exception, however. If your FEHB enrollment covers a stepchild who is the child of a domestic partner as defined in part 890 of this chapter, and that stepchild does not qualify for favorable tax treatment under applicable tax laws, then the portion of the allotted amount described above that represents the employee’s contribution toward the fair market value of FEHB coverage provided to the child will be separately imputed to the employee as income and subject to applicable taxes.