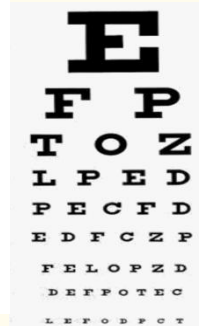
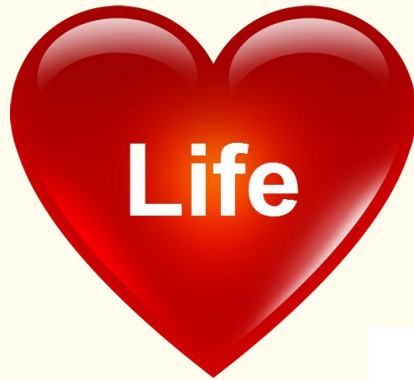


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# **Overview of Federal Employee Insurance Benefits**

Presented by  
U.S. Office of Personnel Management  
April 15, 2014

# Overview





*a New Day for Federal Service*

**Questions?**

[Benefits@opm.gov](https://www.opm.gov/benefits)

at the end of the webcast

# FEGLI Life Insurance



- Protect your loved ones from burdensome funeral costs and catastrophic loss of your income
- Coverage can be one year's salary to more than six times your salary and many options in between
- Can retire with it if certain requirements are met



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# Features

- FEGLI is term insurance; it accrues no cash value
- An enrollee cannot borrow against coverage
- Also can cover the lives of a spouse and unmarried dependent children under age 22
- No annual open season, but...

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# Enroll/Change/Cancel

You can do most actions anytime

- Enroll or increase existing coverage by passing a physical exam, or by experiencing a qualifying life event
- Cancel or reduce coverage
- Change beneficiaries

**Contact your HR office to take FEGLI actions**

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# OPM Responsibilities

- Administers the FEGLI contract between OPM and MetLife
- Prescribes regulations
- Sets premium rates
- Receives employee premiums and agency Basic contribution from agencies for deposit into U.S. Treasury
- Decides when to have an Open Season
- Provides guidance to agency HR staff

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# OFEGLI Responsibilities

- An administrative unit of MetLife; it is not a government agency
- Pays claims
- Arranges for conversions
- Evaluates requests from employees:
  - to enroll based on medical information (SF 2822)
  - to receive living benefits (for terminal illness)
- Has no records on living enrollees



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# Agency Responsibilities

Admin functions related to FEGLI enrollments:

- New employee elections, open season, QLEs
- Maintain files, designations of beneficiary, assignments, court orders, etc.
- Withhold premiums and send to OPM
- Issue conversion rights to employee when coverage terminates because of separation or at the end of 12 months LWOP
- Certify coverage to OFEGLI upon death of an employee or family member

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# Types of Insurance

- Benefits/coverage are not negotiated; they are in law (Ch. 87, 5 U.S.C.)
- Two types of insurance:
  - Basic
  - Optional
- Three types of Optional insurance:
  - Option A (Standard)
  - Option B (Additional)
  - Option C (Family)

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# Designation of Beneficiary

- Not required for payment of benefits
- Necessary **if** insured wants:
  - payment made to someone who doesn't fall in the order of precedence
  - payment made in a different order
  - different percentages

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# Points of Emphasis

## *For employees*

- Regularly review leave and earnings statements and SF50 for withholding accuracy
- If designation of beneficiary on file, keep it current!
- Know where your HR office is located and whom to contact



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# Points of Emphasis

*For agency HR offices*

- Communicate timely and accurate FEGLI information to employees
- At retirement, send all FEGLI-related paperwork to OPM
- At death, send all FEGLI-related paperwork to OFEGLI
- Respond timely to OFEGLI requests for more information

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# More Information

Visit [www.opm.gov/life](http://www.opm.gov/life) for:


- Employing office responsibilities
- FEGLI premium rates
- FEGLI Calculator/FAQs

# FLTCIP Long Term Care Insurance



When you can **no longer perform everyday tasks** for yourself like eating, dressing, and bathing because of a **chronic illness, injury, disability, or aging**, long term care insurance can help you pay for the help you need.

Most people will need this kind of care at some point in their lives, and health insurance usually provides little or no coverage.

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# Costs, Family Members, New Employees

- You and your eligible family members can be protected from this financial burden that can cost an average of \$28,000 to \$75,000 a year
- Your spouse, adult children, parents, and parents-in-law can apply even if you do not
- Employees and their spouses can apply within 60 days of hire date with abbreviated underwriting



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# Enrollment and Resources


## CAN APPLY ANYTIME

- You and/or your eligible family members can apply anytime with full underwriting
- Visit [www.Itcfeds.com](http://www.Itcfeds.com) to learn the basics about long term care insurance, view the current costs in your area or get a rate quote
- Use the interactive Online Consultant Tool on the website, listen to podcasts or watch a webinar

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# Premiums

- Use the Premium Calculator for a rate quote
- Plan A: 2-year policy with comprehensive coverage and a \$150 daily benefit amount
- Sample bi-weekly premium rates for a 52-year-old applicant for Plan A
  - \$49.47 with 5% Automatic Compound Inflation
  - \$36.84 with 4% Automatic Compound Inflation
  - \$14.94 for Future Purchase Option
- **Premiums not guaranteed; may change**

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# Help & Support

- You can call Long Term Care Partners at **1-800-582-3337** to speak to a Certified Long Term Care Consultant about the program
- They do not work on commission and are there to help guide decision-making:
  - Review benefit options in detail
  - Compare plans including inflation protection options
  - Receive a personalized rate quote
  - Assist in completing an application

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# Resources

- There is a dedicated Agency Benefits Officers (ABO) page on [www.ltcfeds.com/abo](http://www.ltcfeds.com/abo) where you can:
- View on-demand FLTCIP webinar geared for new employees
  - 15 minute and 30 minute versions
- Access online training modules
- Download podcasts and articles
- Locate your agency FLTCIP account manager
- Order materials



# FEDVIP Dental and Vision Insurance



- Most FEHB health plans have little or no dental or vision coverage
- For you, your spouse, and your unmarried dependent children under age 22
- Comprehensive coverage
- Most employees are eligible

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# Incapable of Self-Support

Eligibility for dependents incapable of self-support at **age 22**

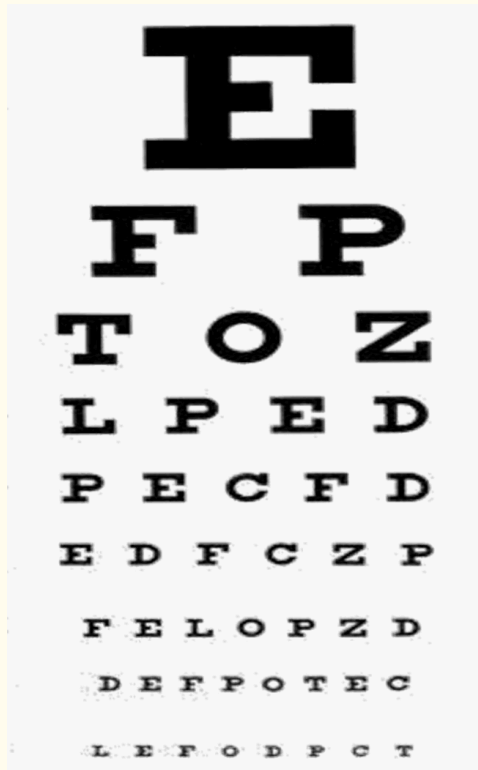
- As with FEHB, Agency and/or Retirement office are responsible for certification
- BAL 13-208: go to [www.opm.gov/dental](http://www.opm.gov/dental), click “Plan Information”, then click “Benefits Administration Letters”
- [fedvipadministration@itcpartners.com](mailto:fedvipadministration@itcpartners.com)
  - Enrollee name
  - Dependent name and disability status

# Dental Insurance



- Self Only, Self Plus One, and Self and Family enrollments available
- Minimum of 6 plans to choose from no matter where you live
- Some areas' premiums are lower than others
- Routine basic services like exams and cleanings are covered 100% when you use an in-network dentist

# FEDVIP Vision Insurance



- Self Only, Self Plus One, and Self and Family enrollments available
- Low premiums – starting below \$3 biweekly for Self Only
- Each plan provides benefits for your choice of glasses or contacts
- Four nationwide plans to choose from



# Resources and Enrollment



- Info at [www.opm.gov/dental](http://www.opm.gov/dental) and [www.opm.gov/vision](http://www.opm.gov/vision)
- Enroll/change/cancel at [www.BENEFEDS.com](http://www.BENEFEDS.com)

**Enroll during Open Season, or within 60 days after becoming eligible!**

See Qualifying Life Events for changes available at other times

A vertical strip of the American flag is visible on the left side of the slide, showing the blue field with white stars and the red and white stripes.

# Qualifying Life Events (QLEs)

The time frame for requesting a QLE change is from 31 days before to 60 days after the event.

Visit [www.BENEFEDS.com](http://www.BENEFEDS.com), click Dental & Vision (FEDVIP), then click Qualifying Life Events

# FEHB Health Insurance



- FEHB annually provides over \$47 billion in health care benefits
- Employee's choice of health plans in FEHB
- For 2014, 97 plans (256 choices)
- 11 plan choices or more depending where an enrollee lives

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# Premiums

- For most employees the Government contribution equals the lesser of:
  - 75% of the total premium for the selected plan OR
  - 72% of the program-wide weighted average of premiums



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# Types of Enrollment

Currently employees may elect one of the two following types of enrollment:

- Self Only
- Self and Family

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# **New Enrollment Option: Self Plus One**

- The Bipartisan Budget Act of 2013 allows a Self Plus One enrollment option in the FEHB Program
- Effective January 1, 2016

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# Dual Enrollment

- Dual enrollment is when an employee or an eligible family are covered under more than one FEHB enrollment
- Generally, dual enrollment is prohibited except when an enrollee or a family member would otherwise lose coverage
- Dual enrollments more likely with children being covered until age 26 and the implementation of Self Plus One
- Agencies must follow current dual enrollment procedures

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# Plan Types

- Fee-for-Service (FFS) with Preferred Provider Organization (PPO)
- Health Maintenance Organization (HMO)
- Consumer-Driven Health Plan (CDHP)
- High Deductible Health Plan (HDHP)

[www.opm.gov/FEHBbrochures](http://www.opm.gov/FEHBbrochures)  
then click “Plan Types” on the left



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# Fee-For-Service Plans

- Offers health coverage in which doctors and other providers receive a fee for each service
- Nationwide and international coverage
- Lower costs if preferred PPO network provider is used

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# Health Maintenance Organizations (HMOs)

- Managed care
- Operates in a specific geographic service/enrollment area
- Generally, members must use network providers and get referrals from primary care doctor

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# Consumer-Driven Health Plans (CDHPs)

- Traditional health plan + separate health fund
  1. 100% coverage for in-network preventive care
  2. 100% coverage for covered services up to the value of the health fund
  3. When health fund is exhausted, must meet deductible (except for preventive care)
  4. Traditional benefits thereafter

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# High Deductible Health Plans (HDHPs)

- Premium contribution to Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA)
- HSA: member can make deposits and tax-free withdrawals to pay for qualified out-of-pocket expenses; account earns interest
- HRA: member cannot make deposits; accounts do not earn interest; fund is not portable
- Annual deductible and cost sharing



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# Ways to Compare Plans

## Plan Info by State

- [www.opm.gov/FEHBbrochures](http://www.opm.gov/FEHBbrochures)

## Guide to Federal Benefits

- Same address, click “Guides”

## OPM’s Plan Comparison Tool

- [www.opm.gov/FEHBcompare](http://www.opm.gov/FEHBcompare)

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# PlanSmartChoice

- Non-OPM comparison tool
- Asks about the employee's and family's anticipated health expenses
- Asks about preferences in health plan features
- Ranks plans by lowest estimated annual cost and by preference match

[www.plansmartchoice.com](http://www.plansmartchoice.com)

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# Consumer's Checkbook

- Non-OPM comparison tool
- Asks age, location, family size, health expenses (low/average/high), and doctors to keep
- Ranks plans by estimated annual cost, deductibles, coverage, flexibility
- Free to employees of subscribing agencies; \$8-\$10 for other individuals

[www.checkbook.org/newhig2](http://www.checkbook.org/newhig2)

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# Open Season

- Enroll in a health plan or cancel
- Change plans or options
- Change enrollment type

**Mid-November through Mid-December**

Agencies are notified by Benefits  
Administration Letters

[www.opm.gov/healthcare-  
insurance/healthcare/reference-  
materials/#url=BALs](http://www.opm.gov/healthcare-insurance/healthcare/reference-materials/#url=BALs)



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# Resources

[www.opm.gov/health](http://www.opm.gov/health)

- FEHB Law: 5 U.S.C. Chapter 89
- FEHB Regs: 5 CFR Part 890
- FEHB Handbook
- Frequently Asked Questions
- FEHB Guides
- Plan Brochures
- Links to other sites

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

# More Resources

- Benefits Administration Letters (BAL)
- Agency Benefits Officers Listing  
[apps.opm.gov/abo](https://apps.opm.gov/abo)

## Forms

- Health Benefits Election Form  
Standard Form (SF) 2809
- Notice of Change in Health Benefits  
Enrollment Standard Form (SF) 2810

# The Federal Flexible Spending Account Program (FSAFEDS)

It's about

**SAVING YOU MONEY**



# Sam

## \$500 next year:







# Sam

## \$500 annual health care expenses

Pay without FSA	Pay with FSA
<p>Gross income - deductions</p> <ul style="list-style-type: none"><li>▪ income tax (15-28%)</li><li>▪ Social Security tax (6.2%)</li><li>▪ Medicare tax (1.45%)</li><li>▪ State/local taxes (0-9%)</li></ul>	<p>\$500 set aside from his gross income <u>pre-tax</u> (0%)</p> <p>(About \$19.20 per biweekly pay period into Jack's FSAFEDS account)</p>
<p>After taxes, it could take Sam \$700 of gross income just to make \$500 of take-home pay</p>	<p>Sam could save hundreds of dollars in taxes on his health care expenses</p>

# Liberty



**\$2,000**  
**next year:**



# Liberty

**\$2,000 annual dependent care expenses**

<b>Pay without FSA</b>	<b>Pay with FSA</b>
<p>Gross income - deductions</p> <ul style="list-style-type: none"><li>▪ income tax (15-28%)</li><li>▪ Social Security tax (6.2%)</li><li>▪ Medicare tax (1.45%)</li><li>▪ State/local taxes (0-9%)</li></ul>	<p>\$2000 set aside from her gross income <u>pre-tax</u> (0%)</p> <p>(About \$77 per biweekly pay period into Liberty's FSAFEDS account)</p>
<p>After taxes, it could take \$2500, \$2800, even \$3000 of gross income to make \$2000 of paycheck</p>	<p>Liberty could save hundreds of dollars in taxes on her dependent care expenses</p>



# How Does FSAFEDS Work?



- You sign up for a tax-free Flexible Spending Account
- You put pre-tax dollars into it
- It reimburses you for eligible health care or dependent care costs
- It's like paying no taxes on these expenses!



# Three Types of Accounts



## Health Care Flexible Spending Account (HCFSA)

- For eligible health care expenses not paid by:
  - FEHB
  - FEDVIP
  - Other insurance

# Eligible HCFSAs Expenses



Full list in the Eligible Expense Jukebox at [www.fsafeds.com](http://www.fsafeds.com) under 'Quick Links'

# Eligible HCFSA Expenses



Eligible expenses incurred by you, your spouse, and your eligible dependents



# Eligible HCFSA Expenses



Full list in the Eligible Expense Jukebox at [www.fsafeds.com](http://www.fsafeds.com) under 'Quick Links'



# Three Types of Accounts

## Dependent Care Flexible Spending Account (DCFSA)

- Eligible child and adult day care
- You and your spouse must work, look for work, or attend school full-time
- You and your spouse must earn income during the year, even if looking for a job, unless going to school full-time



# Eligible DCFSA Expenses



When these services allow you and your spouse to work, look for work, or attend school full-time.

Full list in the Eligible Expenses Jukebox at [www.fsafeds.com](http://www.fsafeds.com) under 'Quick Links'

# Three Types of Accounts



## Limited Expense Health Care Flexible Spending Account (LEX-HCFSA)



- For those enrolled in or covered by a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA)
- Only for eligible dental and vision expenses not paid by FEHB, FEDVIP, or other insurance



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# Ineligible FSAFEDS Expenses

- **HCFSA and LEX-HCFSA**
  - Premiums
  - Cosmetic surgeries or procedures
  - Over-the-counter medicines and drugs purchased ***without*** a prescription. Insulin is an exception.
- **DCFSA**
  - Health care expenses
  - Services provided by your dependent
  - Education and tuition fees
  - Transportation to and from day care



# Who Can Enroll in FSAFEDS?



- You must be employed by an Executive Branch Agency or another agency offering FSAFEDS

[www.fsafeds.com/forms/agencycontact.pdf](http://www.fsafeds.com/forms/agencycontact.pdf)

By law, retirees and survivor annuitants are not eligible

# Who Can Enroll? (cont.)

## Dependent Care FSA

- Ineligible: intermittent employees



# Step-By-Step Walkthrough





# 1. Calculate How Much You Want to Put Into FSA(s)

[www.FSAFEDS.com](http://www.FSAFEDS.com) under 'Quick Links'

- Enter salary and tax information
- Enter estimated expenses
- Calculate estimated contribution
- Calculate potential annual tax savings





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# Minimums and Maximums

- Health care account and limited expense health care account:
  - \$250 *per participant* minimum
  - \$2,500 *per participant* maximum
- Dependent care account:
  - \$250 *per household* minimum
  - \$5,000 *per household* maximum, including any child care subsidy

## 2. Enroll Online or By Phone

- [www.FSAFEDS.com](http://www.FSAFEDS.com)
- FSAFEDS Benefits Counselors
  - Toll-free 1-877-FSAFEDS (372-3337)
  - TTY line: 1-800-952-0450
  - Monday – Friday  
9:00 a.m. – 9:00 p.m.  
eastern time



# 3. Incur Eligible Expenses



# 4. File Claims

Paperless Reimbursement

Submit claim online



Submit claim by fax



Submit claim by mail





# Paperless Reimbursement




- If your FEHB/FEDVIP plan participates
- Your plan tells FSAFEDS that you had an eligible expense (doctor, Rx, etc.)
- FSAFEDS reimburses you automatically

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# **Paperless Reimbursement - Participating Plans**

## **Federal Employees Health Benefits (FEHB) Plans:**

- Aetna
- APWU Health Plan
- Blue Cross and Blue Shield Service Benefit Plan
- Compass Rose Health Plan
- Foreign Service Benefit Plan
- GEHA
- Humana
- Mail Handlers Benefit Plan

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# Paperless Reimbursement - Participating Plans (cont.)

## FEHB Plans, cont.

- M.D. IPA
- NALC Health Benefit Plan
- SAMBA Health Benefit Plan
- UnitedHealthcare

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# **Paperless Reimbursement - Participating Plans**

## **Federal Employees Dental and Vision Insurance Program (FEDVIP) Plans:**

- Aetna Dental
- GEHA Dental
- United Concordia Dental



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# **Paperless Reimbursement - Participating Plans**

## **Federal Employees Dental and Vision Insurance Program (FEDVIP) Plans:**

- FEP BlueVision
- Vision Service Plan (VSP)

# 5. Get Reimbursed



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# When is the Benefit Period?

If you enrolled during Open Season:

- January 1, 2014 – March 15, 2015 to incur eligible expenses
- January 1, 2014 – April 30, 2015 to file claims



# What Does This Cost Me?



- FSAFEDS elections are deducted equally each pay period (January 1, 2014 – December 31, 2014)



# Minimize Risk of Forfeiture

Any FSA money not spent on eligible expenses by March 15, 2015 is forfeited

**Strategy:**



# Minimize Risk of Forfeiture

Any FSA money not spent on eligible expenses by March 15, 2015 is forfeited

**Strategy:**



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# Tracking Account Balances

- Secure online account access via My Account Summary at [www.FSAFEDS.com](http://www.FSAFEDS.com)
- Call toll-free  
1-877-FSAFEDS (372-3337)  
TTY line: 1-800-952-0450
- Reimbursement Statement sent when claims processed
- Account Statements sent in January, March and October

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# Availability of Funds

- Health Care and Limited Expense Account:  
total annual election is available on day one
- Dependent Care Account:  
only the current account balance is available for reimbursement



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# Carryover/Rollover

- IRS changed “use it or lose it” rules
- Health Care and Limited Expense FSAs now allowed to carry over up to \$500 to the next plan year
- But not allowed to have both grace period and carryover
- 2014 participants still have the grace period (Jan 1, 2015 to March 15, 2015)
- To be decided: whether to switch health care and LEX FSAs to carryover beginning in 2015
- Dependent care FSAs unaffected



# Enrollment Rates

International Trade Commission (ITC) - **60%**

Securities & Exchange Commission (SEC) - **50%**

Federal Trade Commission (FTC) - **49%**

Overseas Private Investment Corp - **46%**

Retirement Thrift Investment Board - **43%**

## Govt Average -

# FSAFEDS

It's about

**SAVING YOU MONEY**





*a New Day for Federal Service*

**THANK YOU!**

**SUBMIT QUESTIONS NOW TO  
BENEFITS@OPM.GOV**