



***Retirement and Insurance Service
Benefits Administration Letter***

Number: 02-313

Date: June 19, 2002

**Subject: Federal Long Term Care Insurance Program: More Payroll/Annuity
Deduction Guidance**

This letter provides additional information on the payroll/annuity deduction process for the Federal Long Term Care Insurance Program (FLTCIP) and concentrates on the educational efforts taking place to let applicants know how they can elect payroll/annuity deduction for FLTCIP coverage.

As we discussed in BAL 02-306, applying for coverage in FLTCIP is different from other benefit programs. An application for enrollment flows from the applicant directly to LTC Partners, and is not sent through the personnel or payroll offices. On the application, if the applicant chooses payroll/annuity deduction, he/she must provide a payroll/annuity office identifier of the person's pay from which deductions will be made. LTC Partners will use that payroll/annuity office identifier to map back to the servicing payroll office to initiate the applicant's payroll/annuity deduction. The billing options page from the FLTCIP application is attached to this BAL.

We are sharing with you the tools that LTC Partners has developed to smooth this process and to enlist your help in making sure we reach the eligible population with the information they will need to complete the application process.

Payroll/Annuity Instruction Guide

Each application kit will contain a Payroll/Annuity Instruction Guide (attached) to help the applicant through the process. The Guide's contents include:

- Payroll/annuity office identifier listing (except National Finance Center [NFC] and Department of Defense civilian pay)
- Sample Statement of Earnings and Leave for National Finance Center-serviced agencies
- Uniformed Services payroll/annuity office identification chart

*Civil Service
Retirement
System*

*Federal Employees'
Group Life
Insurance Program*

*Federal Employees
Health Benefits
Program*

*Federal Employees
Retirement
System*

*Federal Long
Term Care
Insurance
Program*

- When payroll/annuity deduction is available
- Who should not elect payroll/annuity deduction
- Changing to and from payroll/annuity deduction
- Continuation of coverage (portability)
- Missed deductions

Web Tool

LTC Partners has developed a web search tool to help applicants find the correct payroll office identifier. Employees, members of the uniformed services, and their spouses will be able to apply, in most cases, via the web. If the applicant selects payroll/annuity deduction as the method for premium payment, the applicant will be directed to a search tool that will take him/her through a step by step process to locate the correct payroll office identifier for entry into the application.

The web tool will enable a search based on the eligibility type (civilian employee, Postal employee, annuitant, member or retired member of the uniformed services) of the person from whose pay premiums will be deducted, and agency, if applicable. After the eligibility type is entered, all applicants except civilian employees will see a screen showing the appropriate payroll office identifier. Members and retired members of the uniformed services will see a chart from which they will pick the correct identifier based on branch of service.

Civilian employees will be asked to input their agency name. The web tool will accommodate inputs of agency names in a variety of ways (i.e., Department of the Interior, Dept. of the Interior, Interior, DOI), and by sub-agency (i.e., Bureau of Land Management, BLM). If an agency has several payroll office identifiers then a listing will be provided for the person to select the proper one. This listing is based on the breakdown that each agency payroll office provided LTC Partners in its completed survey.

The tool can also search based on the servicing payroll entity. Applicants can enter the servicing entity's name and receive a drop down menu of its client agencies. For example, an OPM employee could enter GSA, knowing that GSA services OPM's payroll. The employee would then be provided with a listing of the agencies that GSA cross-services, which would include OPM.

National Finance Center (NFC)-serviced agencies and the Department of Defense (civilian) are handled a bit differently because of the large number of payroll office identifier codes associated with them. When the applicant enters the agency or department name, he/she will be directed to the specific location on the Statement of Earnings and Leave where the payroll office identifier is found.

If an applicant is still unable to locate the correct agency from the web tool, an on-screen message will instruct him/her to contact the servicing payroll or personnel office for help in locating that number.

The Web tool will be available for use on July 1st with the rest of LTC Partners' Open Season web site at www.ltcfeds.com.

Outreach

Even with the availability of the web tool and payroll/annuity instruction guide, we are encouraging agencies to get the word out to applicants in other formats. Several agencies have already started placing a notice on the Statement of Earnings and Leave that gives the payroll office identifier that should be used when applying for payroll/annuity deduction. If you have the ability to display a message on your agency's Statement of Earnings and Leave, then we encourage you to do so as soon as possible, since applications will be accepted beginning July 1. It would be beneficial to repeat the message several times throughout the Open Season, which runs from July 1 through December 31, 2002. We recommend the following wording: "If you are applying for payroll deduction of premiums under the Federal Long Term Care Insurance Program, your payroll office identifier is _____."

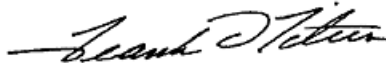
Agency payroll and personnel offices also can get this information out to employees through other means, such as agency-wide e-mails, agency newsletters, and agency intranets. Please check with your agency's FLTCIP Implementation Coordinator on the preferred methods of communication during the Open Season.

Agency payroll and personnel offices should be prepared to assist employees locate the proper identifier.

Employee Express

As a reminder, Employee Express or any other similar automated system **cannot** be used for employees to set up, change or cancel payroll/annuity deduction for FLTCIP premiums. Instead, the employee must contact LTC Partners.

If you have any questions about the information provided in this BAL, please contact either Ruthie Lessard or Sharon Wall at LTC Partners. Ms. Lessard can be reached at (617) 886-2861 or Rlessard@jhancock.com, and Ms. Wall can be reached at (603) 433-4504 or Swall@lhcpartners.com. Thank you for your continued support as we roll out this exciting new benefit for the Federal Family.



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for Long Term Care Insurance

Attachments:

- Billing Options page from FLTCIP application
- Payroll/Annuity Instruction Guide