

FEDERAL EMPLOYEE HEALTH BENEFITS (FEHB) OPTIONS
WHILE IN LEAVE WITHOUT PAY OR INSUFFICIENT PAY STATUS

Updated: 16 April 2020

TO: _____

DATE: _____

You must respond within 31 days (45 days if residing overseas) of this notice or your FEHB enrollment will automatically terminate.

1. Each pay period you are enrolled in the FEHB program, you are responsible for payment of the employee share of the premium. When you enter leave without pay (LWOP) status, or your pay is insufficient to cover the premium, you must either terminate the enrollment; **OR** continue the enrollment and agree to pay the premium or incur a debt.

2. Please also note that entering a period of LWOP or returning to pay status from a period of LWOP can impact the tax treatment of your FEHB premium, and may permit you to change your participation in the health benefit premium conversion (HB-PC) program. Premium conversion uses Federal tax rules to let employees deduct their share of the health premiums from their taxable income, thereby reducing their taxes.

3. Terminating the Enrollment:

a. If you elect to terminate your enrollment (or the enrollment automatically terminates), the termination will take effect at the end of the last day of the pay period in which premiums were withheld from your pay.

b. FEHB coverage will continue at no cost to you for an additional 31 days. During the 31-day temporary continuation of coverage, you and your covered family members may convert to an individual contract with your insurance carrier.

c. The termination is not considered a break in the continuous coverage necessary for continuing FEHB coverage into retirement. However, the period during which the termination is in effect does not count toward satisfying the required five years of continuous coverage.

d. When you return to a pay and duty status, or at the end of the first pay period your pay becomes sufficient to cover your premium, you must reenroll within 60 days if you want FEHB coverage. You will also have the opportunity to change your premium conversion participation (waive if you had been participating or restore participation if you had waived) when you return to pay and duty status and reenroll in FEHB. If you do not submit the form to change your premium conversion participation, your previous status will continue.

4. Continuing the enrollment and agreeing to pay the premium: If you elect to continue your coverage, you must choose to pay the premiums directly or incur a debt in the amount of the unpaid premiums.

a. Elect to Pay the Premium Directly. If you elect to pay the premiums directly, these payments will be made with after-tax monies since health premium deductions can only be treated as pre-tax payments if they are deducted from your pay. The *minimum* payment will be the employee's share of the premium for two pay periods. Please make your check or money order payable to "**DFAS-CLEVELAND**". Include on the check your name, social security number, a note that the payment is for "FEHB premium," and the pay period(s) for which the payment is being made. Mail your check to the following address: _____

DFAS Cleveland
DSSN 8552
ATTN: J3DCBB/555
1240 East 9th Street
Cleveland, OH 44199

b. Elect to Incur a Debt. If you elect to incur a debt, the repayment of the debt is deducted from your pay when you return to a pay status. You can also change your premium conversion participation when you return to a pay status. It does not matter whether you participated in premium conversion at the time the debt was incurred. If you are participating or choose to participate in premium conversion when the debt repayment deductions are made from your pay, they will be afforded pre-tax treatment.

c. If you elect to incur a debt, or if you elect to pay directly but fail to pay the entire amount due, you will receive a notice from the payroll office stating the total amount due. The notice will be sent to you either upon your return to pay status, when your pay becomes sufficient to pay the premium, or you separate from employment.

d. By electing to continue your health coverage, you agree to repay the resulting debt in full and to allow the debt to be collected by withholdings from any salary payments to you from the Federal Government. If the amount due cannot be withheld in full from your salary, it will be recovered from a lump-sum payment of accrued leave, income tax refunds, amounts payable under the Civil Service Retirement System or Federal Employees Retirement System, or any other source normally available for the recovery of a debt due the United States.

5. Please check the appropriate block below, sign and return one copy of this notice to the HRO in the envelope provided.

- Continue the enrollment and submit direct payments.
- Continue the enrollment and incur a debt.
- Terminate the enrollment.

(Signature)

(Date)

6. If there are any questions, please contact the HRO Services Section at (808) 672-1006, Option 3.