The Federal Employee's Health Benefit (FEHB) program offers federal employees a choice of multiple health insurance plans at a reduced rate and paid with pre-tax dollars. The U.S. Government pays 72-75% of the premiums for each plan and employees are responsible for the remainder of the premium. The employee's portion of the premium is taken from their pay and following IRS guidance, that payment can be made before the salary is taxed.

If an employee maintains their FEHB for five years prior to retirement (although they can switch insurance companies during that time) they are eligible to carry their health insurance into retirement. The government will continue to pay their portion of the premiums but the retiree's portion will be taken from their annuity payments and will no longer be tax free. If their spouse is included on their plan, the spouse is eligible to continue their coverage upon the retiree's death.

1. Eligibility
2. Enrollment
3. Temporary Continuation of Coverage
4. Retirees

Eligibility

Most federal employees are eligible for FEHB unless law or regulation excludes their position. Even part-time, intermittent, and seasonal employees may be eligible if they are expected to work 130 hours per month or more for at least 90 days. For example, intermittent positions could include students participating in the Pathways Program.

Employees who receive Worker's Compensation are also eligible for FEHB coverage. While receiving worker's compensation an individual is still considered a government employee and is entitled to the associated benefits. Federal employee reservists who are placed in a leave without pay status when called to active duty for more than 30 days can also keep their FEHB coverage for up to 24 months. The reservist is responsible for paying the enrollee share of the premium during the first 12 months, and the agency pays the agency's share. After 12 months they would pay the both the employee's share and the government's share of the premium.

Enrollment

Eligible employees have 60 days from when they come on board to select a health insurance carrier and to enroll in the program. Employees will complete the standard form SF2809 when they enroll, or if they decide not to enroll, or to make any changes to their enrollment.

After reviewing the available health plans they can enroll themselves and their family members in the plan of their choice. Children can remain on their parent's insurance plan until the age of 26, or after, if the child is incapable of self-support.

"Children" includes legally adopted children, stepchildren, foster children and natural children (born out of wedlock). Since all adults, including same-sex, are legally entitled to marry, stepchildren of non-legal partnerships are not eligible for coverage.

Employees can elect to enroll in a health care plan when they start their employment with the federal government but they can also elect, cancel or change their enrollment during Open Season or if they have a qualifying life event.

Open Season is held annually between the second week of November and the second week of December. Any elections made during Open Season will not take effect until the first pay period in January. A qualifying life event includes marriage, divorce, death, birth, or adoption of a child, or a child turning 26. Any elections made due to a qualifying life event will be put into effect the pay period following when the human resource office receives the new SF2809.

Temporary Continuation of Coverage

If an event causes the loss of FEHB for a family member, for example when there is a divorce or when a child turns 26, there is the option to elect Temporary Continuation of Coverage (TCC). This would allow the individual who lost their FEHB to continue their health coverage and pay for the health plan out of their own pocket (not pre-tax). The family member who loses their FEHB will be covered by their plan for an additional 31 days which allows them sufficient time to enroll in TCC or to find other coverage. If the family member elects TCC the employee will have to contact their human resource office to make arrangements. TCC will only cover the family member for 36 months and then they will have to pay both their portion of the premium as well as the government's portion.

Retirees

Employees who have had FEHB continuously for 5 years prior to retirement can continue their coverage into retirement. OPM will deduct the premiums, after tax, directly from the employee's annuity.

At age, 65 retirees have the choice of signing up for Medicare coverage. They can decide to just keep their FEHB and not sign up for Medicare, or sign up for Medicare and keep their FEHB, or they can suspend their FEHB and elect a Medicare Advantage plan. If they decide to suspend their FEHB, they can reinstate it at any future Open Season.

Medicare is broken into 4 parts and individuals have the option of enrolling in the different plans. Part A is free for many people and covers hospital related insurance. Part B is similar to FEHB and pays for doctor's visits, ambulance service, and durable medical equipment. Individuals must pay a premium for Part B and that payment would come out of their social security. Part C is the Medicare Advantage plan and is a combination of both Part A and Part B. There would be a premium for Medicare Advantage plans also. Part D is the prescription drug plan, similar to what is offered through FEHB and could act as a supplement to FEHB. Medicare is offered through the Social Security Administration.