



Did you know it is your responsibility to verify your benefit elections on your Leave and Earning Statement (LES) each pay period and notify a benefit Customer Service Representative (CSR) of any problem. In some cases, an error in deductions may result in an indebtedness to the government that you will be required to repay.

### FEDERAL EMPLOYEES HEALTH BENEFITS (FEHB)

**Open Season Changes.** If you elect or change your health insurance during the FEHB Open Season (10 November through 8 December 2003), your coverage is effective 11 January 2004. This means your new health coverage premiums and FEHB code are reflected on your LES that you receive on 30 January 2004. In addition to the open season period, employees may be eligible to change health benefits outside an open season, if they have a Qualifying Life Event (QLE). The table of life events is available on the OPM homepage at <http://www.opm.gov/wrkfam/LEindex.asp>

**Premium Conversion.** Premium Conversion is a “pre-tax” arrangement, meaning that the part of your salary that goes for health insurance premiums will become non-taxable. This means that you save on Federal income tax and FICA taxes (Social Security and Medicare taxes). In most cases, you'll also save on State income tax and local income tax. You can elect to waive or participate in Premium Conversion only during FEHB open season or in conjunction with a qualifying life event. If you elect to participate in FEHB Premium Conversion you cannot cancel your health insurance enrollment (or change from a self and family enrollment to a self only enrollment) unless you make the change during open season or in conjunction with a qualifying life event. Additional information about FEHB Premium Conversion is available on the Office of Personnel Management (OPM) homepage at <http://www.opm.gov/insure/health/pretaxfehb/index.asp>.

**Child Reaches Age 22.** When your child reaches age 22, he/she is no longer covered under your FEHB. However, your child has 31 days of temporary coverage at no cost from their 22<sup>nd</sup> birthday and has the option to enroll in Temporary Continuation of Coverage (TCC) under the FEHB program. Their election must be made within 60 days from the date the child reaches age 22. Additionally, if a child turning age 22 is incapable of self-support; the child may also qualify for coverage under your plan. If the child turning age 22 is the last family member included on your self and family enrollment you must initiate a change to a self and family enrollment through The Benefits Line or the Employee Benefits Information System (EBIS). The change to a self-only enrollment is not automatic.

**Coverage For Temporary Employees.** If you're a temporary employee on a Not-to-Exceed (NTE) Appointment, you are eligible to enroll in the FEHB Program after one year of employment. Temporary employees must pay the total FEHB premium. There is no government contribution.

**Eligibility For Medicare.** Employees who are approaching age 65 have the right to apply for Part A and Part B of Medicare. To avoid a 10 percent surcharge for Part B, employees must apply between 3 months prior to their 65<sup>th</sup> birthday and 3 months after the month they become 65. The application forms are provided by the Social Security Administration and are available at any Social Security Office.

If you are enrolled in FEHB you may change from one FEHB plan to another or change options at any time beginning 30 days before you become eligible for Medicare. The opportunity to change FEHB enrollment based on becoming eligible for Medicare may be used only once. Additional information about Medicare and the FEHB program is available at <http://www.opm.gov/insure/health/medicare/index.asp>.

## FLEXIBLE SPENDING ACCOUNT (FSA)

Employees can set up a health care FSA to use for out-of-pocket costs including co-payments and deductibles and for health care expenses not covered by insurance, such as dental services and eye-care. Employees can also set up an account for dependent-care expenses for children and aging parents. There is an annual FSA open season that coincides with the FEHB open season. Open Season for the 2004 plan year will be from 10 November through 8 December.

You cannot change or revoke an FSA election - unless you experience a Qualified Status Change (for example, marriage, divorce, add a new child through birth or adoption, death of spouse or a child, and other such events allowed under the Internal Revenue Code and this Plan).

Additional information is available on the FSA homepage at <https://www.fsafeds.com/fsafeds/>. If you have questions about FSAs you should call SHPS at 1-877-FSAFEDS (1-877-372-3337). FSA program counselors are available Monday through Friday, 9 a.m. until 9 p.m. EST, or email any questions to FSAFEDS@shps.net. The TTY/TDY number for hearing impaired employees is 1 800 952-0450.

## FEDERAL LONG TERM CARE INSURANCE PROGRAM (FLTCIP)

New employees, in an appointment that provides eligibility for FEHB, have 60 days from the date of their appointment to elect to participate in FLTCIP using abbreviated underwriting procedures. After the initial 60 days, employees may still apply but must use the full underwriting application. You make your FLTCIP election with the Long Term Care Partners. This is the **only** long-term care insurance program with the full faith and backing of the Federal government and is sponsored by the U.S. Office of Personnel Management (OPM).

Applications and additional information about FLTCIP are available at <http://www.ltcfeds.com/>. Questions about FLTCIP can be directed to the LTC Partners by telephone at 1-800-LTC-FEDS (1-800-582-3337) or by email at [info@lhcpartners.com](mailto:info@lhcpartners.com). The TTY number for the hearing impaired is 1-800-843-3557.

## FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI)

**Term Insurance.** The FEGLI Program provides group term insurance. Term life insurance does not have any cash value and you cannot borrow against your coverage. The only opportunities to get money from your coverage while you are still living are: (1) if you are terminally ill and qualify for Living Benefits or (2) if you are terminally or chronically ill and assign your coverage to a viatical settlement firm.

**Electing FEGLI Coverage.** If you waived life insurance (Basic coverage) or did not elect additional options, you may elect coverage (or increase coverage) if: 1) It has been one year since your last election, 2) You successfully pass a physical (at your own expense) and 3) Are approved by the Office of Federal Employees' Group Life Insurance (OFEGLI). You cannot elect Option C – Family by taking a physical. If you want to apply for FEGLI coverage by taking a physical please call The Benefits Line at 1-888-320-2917 and select menu option 4 to talk to a CSR.

There are various life events such as marriage, divorce, birth of a child, etc., that allow changes to FEGLI throughout the year. The changes must be made within 60 days of the event. Certain life events will allow you to elect Option C – Family. The table of life events is available on the OPM homepage at <http://www.opm.gov/wrkfam/LEindex.asp>.

**Premiums.** The premiums for Basic life insurance increase as your salary increases; so when you receive a pay increase sufficient enough to raise your pay to the next \$1,000 bracket, you will notice a change in the premium deductions from your paycheck. For Optional life insurance coverage (Options A, B & C), the rates increase based on your age group. The age groups are in increments of 5 years so when you reach age 45 or 50, etc., you will notice an increase in the amount of premiums you are paying - at some age groups your premiums can double. A calculator to determine FEGLI value and cost is available on the OPM homepage at <http://www.opm.gov/calculator/worksheet.asp>.

The Family Option (Option C) does not automatically stop when you no longer have eligible family members (a spouse or children under age 22). You must initiate a change through The Benefits Line or the EBIS.

**No Annual Open Season.** There is no **annual** open season for life insurance. If OPM announces a special open season you will receive an announcement from the HRSC. For more information about FEGLI, go to <http://www.opm.gov/insure/life/>.

## DESIGNATION OF BENEFICIARY

The purpose of a designation of beneficiary is to determine how your benefits are distributed in the event of your death. It is **your responsibility** to ensure that your beneficiary forms remain accurate and reflect your intentions. Benefits will be paid based on a valid designation, regardless of whether that designation still reflects your intentions. Changes in family status (such as marriage or divorce), without a corresponding change in designation of beneficiary, could result in benefits not being paid as you have previously designated even if your wishes have changed. A divorce does not invalidate a designation that names your former spouse as your beneficiary.

A listing of each type of beneficiary is described below. You do not need to complete a designation of beneficiary if you want the benefits distributed according to the standard order of precedence described on the back of each form. Be sure that two people witness and sign the completed form. Forms are available by calling The Benefits Line or from the web site as indicated below.

FORM NUMBER	PURPOSE OF DESIGNATION	DOWNLOAD FORM FROM	MAIL FORM TO
SF 2823, Designation For FEGLI	Determines how proceeds from the life insurance are distributed.	<a href="http://www.opm.gov/forms/pdf_fill/sf2823.pdf">http://www.opm.gov/forms/pdf_fill/sf2823.pdf</a> .	HRSC that services you.
SF 1152, Designation For Unpaid Compensation	Determines how any unpaid salary and lump sum annual leave are distributed.	<a href="http://www.opm.gov/forms/pdfimage/sf1152.pdf">http://www.opm.gov/forms/pdfimage/sf1152.pdf</a>	HRSC that services you.
SF 3102, Designation For FERS	Designates who is to receive a lump-sum payment which may become payable under the FERS. It does not affect the right of any person who is eligible for survivor annuity benefits.	<a href="http://www.opm.gov/forms/pdf_fill/sf3102.pdf">http://www.opm.gov/forms/pdf_fill/sf3102.pdf</a>	HRSC that services you.
TSP-3, Designation For TSP	Determines how any money that is invested in TSP is distributed.	<a href="http://www.tsp.gov/forms/tsp3web.pdf">http://www.tsp.gov/forms/tsp3web.pdf</a>	Thrift Savings Plan Service Office National Finance Center P. O. Box 61135 New Orleans, LA 70161-1135
SF 2808, Designation For CSRS	Designates who is to receive a lump-sum payment which may become payable under the CSRS. It does not affect the right of any person who is eligible for survivor annuity benefits.	<a href="http://www.opm.gov/forms/pdfimage/sf2808.pdf">http://www.opm.gov/forms/pdfimage/sf2808.pdf</a>	Office of Personnel Management Retirement Operations Center P. O. Box 45 Boyers, PA 16017-0045

## THRIFT SAVINGS PLAN (TSP)

**Open Season.** There are two TSP open seasons a year 15 April - 30 June and 15 October - 31 December. All employees covered by FERS or CSRS are eligible to participate in the TSP, and may make contribution elections.

During the current TSP open season CSRS and CSRS Offset employees can contribute up to 9% of basic pay and FERS employees can contribute up to 14% of basic pay. The total amount of TSP contributions cannot exceed the Internal Revenue Service (IRS) annual limit for elective deferrals. To view the TSP Fact Sheet on annual deferral limits, which includes a worksheet to help you maximize your contributions, go to <http://www.tsp.gov/cgi-bin/byteserver.cgi/forms/ocfs91-13.pdf>. The IRS elective deferral limit for 2004 is \$13,000. Because 2004 is a leap year, there are 27 pay dates. The first TSP effective date is 14 December 2003.

You can stop contributions at any time. However, if you stop outside an open season you must wait until the second open season after you stop before you can begin contributing again. If you stop contributing during an open season, you must wait until the next open season to start again.

**Agency Contributions For FERS Employees.** Employees appointed or reappointed to a position covered by FERS become eligible to receive agency automatic 1% contributions on the second election period following the effective date of their appointment. Employees will also be eligible for Agency Matching Contributions once they are eligible for them and are contributing to the TSP. Matching contributions apply to the first 5 percent of pay that you contribute each pay period. Your contributions are matched dollar-for-dollar for the first 3 percent of pay you contribute each pay period and 50 cents on the dollar for the next 2 percent of pay. Your agency will not match the contributions that you make above 5 percent of your pay each pay period.

**Changes To How Your TSP Is Invested.** You can allocate any whole percentage of future payroll contributions to any of the five investment funds by making a contribution allocation and can redistribute existing account balances among the five investment funds by making an interfund transfer. You can make a fund change by accessing the TSP web site at <http://www.tsp.gov> or the TSP ThriftLine at (504) 255-8777.

**Rollover To TSP From An IRA.** TSP participants with an open account can transfer or rollover monies from an eligible retirement plan or a traditional IRA account into their TSP account. Read and complete the form, TSP-60, and send it directly to TSP Service office for processing. The TSP-60 can be downloaded from the TSP web site at <http://www.tsp.gov/forms/tsp-60.pdf>.

**TSP Catch-Up Contributions.** Public Law 107-304, permits eligible TSP participants who are age 50 or older or become 50 during the calendar year to make tax deferred "catch-up" contributions from their basic pay to their TSP accounts. The TSP Catch-up annual IRS limit is \$3,000 for 2004. Employees must make a new election each year because the annual limit changes. For more information, please see the TSP Catch-up Fact sheet at <http://www.tsp.gov/forms/oc03-03.pdf>. Because 2004 is a leap year, there are 27 pay dates.

Only those employees who are eligible or who will become eligible for the TSP Catch-up will be able to make their catch-up elections through the automated benefit systems

## USING THE AUTOMATED BENEFIT SYSTEMS TO MAKE CHANGES

Employees wanting to make benefit elections must do so by using one of the automated benefit systems listed below (**paper forms will not be accepted**):

- **EBIS** is an Internet based application located at <http://www.donhr.navy.mil/>. Click on EBIS to

access the application. Your Social Security Number (SSN) and password are used to log into EBIS. If you are a new EBIS user it is helpful to have a copy of your last SF 50, Notification of Personnel Action, or your Leave and Earnings Statement (LES). The following information can be found on these documents and is needed to create your EBIS password: Service Computation Date for Leave, Pay Plan, Grade and Step. You must also establish a Personal Identification Number (PIN) if you have not previously created one in EBIS or The Benefits Line. Your initial PIN is your month and year of birth (MMYY). The system will require you to change the 4-digit PIN to a 6-digit PIN of your choosing.

- **The Benefits Line** is a telephone interactive voice response system. You access The Benefits Line by calling 1-888-320-2917. To log into The Benefits Line you use your SSN and PIN. This is the same PIN that you created in EBIS. If you have not created a PIN, your initial PIN is your month and year of birth (MMYY). The system will require you to change the 4-digit PIN to a 6-digit PIN of your choosing. This 6-digit PIN will also be used to access EBIS.

**WHO DO I CONTACT IF I HAVE QUESTIONS?**

If you have any questions about your benefits, please call The Benefits Line at 1-888-320-2917. Select option 4 to speak to a CSR. CSRs are available 7:30 a.m. to 7:30 p.m., Monday through Friday (Eastern Time). Hearing impaired employees should call the TTY line for their servicing Human Resources Service Center.

Overseas employees who have access to DSN service can connect to The Benefits Line by dialing the DSN number to Randolph AFB (RAFB), 487-1110. Once the RAFB operator answers please indicate that you want to make an "official off net call." The employee must provide The Benefits Line number, 888-320-2917.

**HRSC ADDRESS LISTING**

**To determine your servicing HRSC, please refer to block 48 on your SF-50, Notification of Personnel Action and match it to the corresponding 4-digit number below:**

<p><b>2416</b></p> <p><b>HRSC Northwest</b> 3230 Randall Way, Code 51 Silverdale, WA 98383-7952</p>	<p><b>2414</b></p> <p><b>HRSC Southwest</b> 525 B Street, Suite 600, Code 43 San Diego, CA 92101-4418</p>
<p><b>2412</b></p> <p><b>HRSC Northeast</b> ATTN: Code 51.1, Benefits Branch 111 S Independence Mall East Philadelphia, PA 19106-2598</p>	<p><b>2417</b></p> <p><b>HRSC Southeast</b> 9110 Leonard Kimble Road, Code 43 Stennis Space Center, MS 39522-0002</p>
<p><b>2418</b></p> <p><b>HRSC Pacific (512)</b> 78 Main Street, Bldg. 499 Honolulu, HI 96818-4048</p>	<p><b>2413</b></p> <p><b>HRSC East</b> NNSY, Bldg. 17, Code 43 Portsmouth, VA 23709-5000</p>
<p><b>2445</b></p> <p><b>HRSC Europe_(For FedEx)</b> Code 50 Benefits Team Block 2, Spur 2 MOD Complex, Lime Grove Rd</p>	

