



## **Fact Sheet - Benefits Summary for Separating Employees**

This fact sheet applies to employees who are separating from Federal service for any reason **except retirement; transfer to another Federal agency, or in receipt of workers compensation benefits**. Employees having questions regarding the information contained in this Fact Sheet should contact their servicing Human Resources (HR) office.

### **FEDERAL EMPLOYEES HEALTH BENEFITS (FEHB)**

**What happens to my health insurance when I separate?** Your FEHB coverage will terminate effective the last day of the pay period in which you separate. You then have a 31-day temporary extension of coverage during which the insurance continues at no cost to you. During the 31-day period, you may apply to convert to a nongroup contract or apply for Temporary Continuation of Coverage (TCC).

**How do I convert to a nongroup contract?** You must write to your health plan, within 31 days of the termination of your health insurance coverage, and request information on converting to a nongroup contract. The plan will provide you with an application for conversion, and information on benefits and costs. Additional information on the conversion process may be found in Part B on the reverse side of the SF 2810 (Notice of Change in Health Benefits). Your servicing HR office will provide you with a SF 2810.

**Under a nongroup contract, will my level of coverage change?** The benefits offered by the nongroup contract will most likely be different in both the level of coverage and cost. It is important you closely review the benefits and cost data your health plan will provide.

**If I convert to a nongroup contract, may I later apply for Temporary Continuation of Coverage (TCC)?** No. By the time the conversion process is completed, the time limit for applying for TCC will have expired.

**What is Temporary Continuation of Coverage (TCC)?** TCC allows you to continue the same level of health benefits coverage enjoyed while employed. The TCC family enrollment covers the same family members as were covered under your plan while employed. Enrollment under TCC is limited to a maximum of 18 months and you will pay both the employee and government shares of the premium, plus an additional 2% administrative fee.

**Am I eligible for TCC regardless of the reason for separation from employment?** You are not entitled to TCC if your separation from Federal service is involuntary due to gross misconduct. Your servicing HR office will determine if conduct that leads to an involuntary separation is "gross" misconduct. Employees who have lost FEHB coverage after 12 months in a leave without pay status are also not eligible for TCC.

**Is there a time limit for applying for TCC?** You must apply for TCC within 60 days after loss of coverage, or within 60 days from the date you are notified of your eligibility to elect TCC, whichever is later. Notification includes, but is not limited to, your receipt of the SF-50 (Notification of Personnel Action) documenting your separation from employment.

**May I change health plans upon applying for TCC?** Yes, you may!

**How do I apply for TCC?** First, review the brochure titled “Temporary Continuation of Health Benefits Coverage”. You may obtain this brochure by contacting your servicing HR office. The brochure contains a form called “Request for TCC Coverage” which you will need to print and fill out as part of the application process. Second, review RI 70-5, “Guide to FEHB Plans for TCC and Former Spouse Enrollees,” on the Office of Personnel Management’s (OPM) Web site at, <http://www.opm.gov/insure/06/guides/> to assist in selecting a health plan. You may stay in your current health plan, or select another. Lastly, send the “Request for TCC Coverage,” a completed SF 2809 (Health Benefits Election Form), and applicable supporting documentation to your servicing HR office. Your servicing HR office will mail you a package outlining the procedures for collecting premiums for the FEHB plan you have chosen.

**When is enrollment under TCC effective?** Your enrollment under TCC will be effective at the end of the 31-day temporary extension of coverage. Premiums will also begin on that date.

**Is there a way to continue health coverage when TCC expires after 18 months?** When TCC expires, you will be given another 31-day extension of coverage in the same enrollment category, at no cost. During this 31-day period, you may apply to convert to a nongroup contract.

**If I cancel my coverage under TCC, may I convert to a nongroup contract?** No. Cancellation of coverage prior to expiration at 18 months results in a loss of conversion privilege.

## **FEDERAL EMPLOYEES’ GROUP LIFE INSURANCE (FGLI)**

**What happens to my life insurance when I separate?** Your life insurance automatically terminates effective with your separation from Federal employment. You then have a 31-day extension of coverage during which coverage will continue at no cost to you. During the 31-day period, you may apply for conversion to an individual policy.

**How much of my life insurance coverage may I convert?** You may convert all or any part of your Basic and Optional insurance to an individual policy. However, if you assigned your insurance, only your assignee may apply for conversion. Also, you may not convert the family option if you no longer have any eligible family members.

**What will a policy purchased under the conversion privilege cost?** The purchase of a policy is a private business transaction between you and the insurance company. The cost is determined by the insurance company and is based on your age and class of risk.

**How do I apply to convert to an individual policy?** Your servicing HR office will provide you with SF 2819 (Notice of Conversion Privilege). The SF 2819 represents notice of your loss of group life insurance coverage and the right to convert. In addition, you must contact your servicing HR office and request the SF 2821 (Agency Certification of Insurance Status). After reading Part B, complete Part C and forward the SF 2819, along with the original (Part 1) SF 2821 to the Office of FEGLI at **P. O. Box 2627, Jersey City NJ 07303-2627**. (Please note that this is a new address. **Do not** use the address on the SF 2819.)

**Is there a time limit on applying for conversion?** Yes. Your request for conversion must be postmarked within 31 days after the date of your separation or within 31 days of receipt of the SF 2819, whichever is later. If you do not receive the SF 2819 on time or you are unable to request conversion on time due to reasons beyond your control, you can request a belated conversion by writing to the Office of FEGLI at the above address. The request for belated conversion must be mailed within six months after the date you first became eligible to convert and must show that you were not notified of the loss of coverage and the right to convert and were not otherwise aware of it, or you weren't able to convert because of reasons beyond your control.

**If six months or more have passed since the date you first became eligible to convert, OFEGLI cannot accept a request for conversion.**

**Where may I find additional information?** The OPM Web site is a good source of additional information. We recommend you review the OPM's FEGLI Handbook at [www.opm.gov/insure/life/handbook/term1.htm](http://www.opm.gov/insure/life/handbook/term1.htm) and the FEGLI Frequently Asked Questions at [www.opm.gov/insure/life/FAQs/FAQs-6.htm](http://www.opm.gov/insure/life/FAQs/FAQs-6.htm).

### **THRIFT SAVINGS PLAN (TSP)**

**What happens to my TSP account on separation from employment?** Upon separation, you have several options for handling your TSP account. (If you are CSRS and did not contribute to TSP, you will not have a TSP account). You may leave your money in TSP; transfer all or part of your TSP balance into an Individual Retirement Account (IRA) or other eligible retirement plan; receive your TSP account balance in a lump sum or partial payment; receive your TSP account balance in equal monthly installments; purchase a life annuity through TSP, if you have at least \$3500 in your account; or, if you also have a uniformed services TSP account, you may transfer your civilian TSP account into the uniformed services account.

**How do I apply to transfer my civilian TSP account into my uniformed services TSP account?** Complete Form TSP 65 and submit to the TSP Service office. Form TSP 65 may be obtained from the TSP web site at [www.tsp.gov](http://www.tsp.gov).

**Is there a penalty for early withdrawal?** Yes. If you separate before the year in which you reach age 55 and withdraw your account balance in a single payment or series of equal payments, you will be subject to a 10% penalty as well as income tax on all amounts you receive before age 59 1/2. However, if you separate during or after the year in which you reach age 55, you will only be subject to income tax and not the 10% penalty on the withdrawal. The Internal Revenue Service (IRS) requires employees to receive payments from their account by April 1<sup>st</sup> of the year following the one in which they become age 70 1/2.

**What if I have an outstanding TSP loan?** You must repay the loan in full, including interest, on the outstanding balance. A delay in repaying your loan may affect the processing of your withdrawal. If you do not repay the loan within the required timeframe specified by TSP, a taxable distribution will be declared to the IRS in the amount of the unpaid loan balance and any unpaid interest. The distribution will be subject to income tax and the 10% penalty as described above.

Your servicing HR office will provide you with the TSP Withdrawal Package or refer you to the TSP Web site at [www.tsp.gov/forms](http://www.tsp.gov/forms).

## **RETIREMENT CONTRIBUTIONS**

**What happens to the retirement contributions I have paid into the retirement fund?** You may leave the money in the retirement fund, or apply for a refund if you meet the following criteria: must be separated from Federal service for at least 31 consecutive days; must not be reemployed in a position subject to retirement deductions at the time of application; must not be eligible to receive an immediate retirement annuity within 31 days of separation; must not be prohibited from receiving a refund due to a court order; and must notify your current and/or former spouse(s) of the refund request, as applicable.

**If I take a refund and later become reemployed, may I redeposit the amount refunded?** If you are covered by the Civil Service Retirement System (CSRS), yes, you may redeposit the refund, with interest. **However, if you are covered by the Federal Employees Retirement System (FERS), you may NOT make a redeposit, and the period of service covered by the refund will not be creditable towards retirement.**

**Under what circumstances is a refund of retirement contributions not a good idea?** A refund can be a significant disadvantage depending on your retirement system. For example, separating FERS employees who take a refund of retirement contributions are not eligible to redeposit the refunded contributions if they return to Federal employment. Thus, the refunded service will NOT count towards any future retirement eligibility or in the computation of an annuity.

**How do I apply for a refund?** You may apply for a refund by completing the applicable retirement refund application. For employees who are covered under the **Federal Employees Retirement System (FERS)**, you would complete a SF 3106, Application for Refund of Retirement Deductions (Federal Employees Retirement System), (SF 3106A, Current/Former Spouse's Notification for Refund of Retirement Deductions is also included with the SF 3106.) For employees covered under the **Civil Service Retirement System (CSRS)**, you would complete a SF 2802, Application for Refund of Retirement Deductions (CSRS).

**Where do I obtain the refund form?** You may contact your servicing HR office for the appropriate forms and guidance. Also, refund forms are available from the OPM Web site at [www.opm.gov/forms/html/sf.htm](http://www.opm.gov/forms/html/sf.htm).

### **Flexible Spending Accounts (FSA)**

**Who do I contact if I have questions regarding FSA?** If you have questions on how separation will affect your FSA account(s) you should contact an FSA Benefits Counselor at **1-877-FSAFEDS (372-3337)** TTY: 1-800-952-0450, Monday through Friday, 9am - 9pm, Eastern Time for assistance, or email [fsafeds@shps.com](mailto:fsafeds@shps.com).

### **Federal Long Term Care Insurance (FLTCI)**

**Who do I contact if I have questions regarding FLTCI?** If you have question on how separation will affect your FLTCI you should contact the Long Term Care Partners, administrators of the Federal Program, at: **1-800-LTC-FEDS (1-800-582-3337)** (TTY: **1-800-843-3557**). LTCP regular hours of operation are Monday - Friday, 8 a.m. to 7 p.m., Eastern Time.