

AGENCY LETTERHEAD

[Date]

**Model TCC Continuation Coverage Election Notice
(For use by agencies for involuntary terminations occurring during the period that begins
February 17, 2009 and ends December 31, 2009.)**

Dear **XXXXXX**:

The American Recovery and Reinvestment Act (ARRA) of 2009, enacted February 17, 2009, provides a new health insurance opportunity for former employees who are eligible for temporary continuation of coverage (TCC) under the Federal Employees Health Benefits (FEHB) Program because they were or are involuntarily terminated between September 1, 2008, and December 31, 2009. Under this new law, former Federal employees may request premium assistance for their TCC under the FEHB Program. Premium assistance means your former agency will make a Government contribution of 65 percent of the TCC premiums for your FEHB plan enrollment.

Your Federal employment terminated on [Date]. In accordance with 5 CFR 890.1103(a)(1), you are eligible to enroll in TCC to continue your FEHB health benefits coverage for 18 months following the date of your separation from Federal employment. If you elect TCC, your enrollment charges will begin on the day after the 31-day free extension of coverage you receive. If you continue the coverage until the end of the 18-month period, you will have another 31-day free extension of coverage to consider conversion to a non-group contract.

This is to notify you that you may request premium assistance, which will be provided for up to 9 months or when you become eligible for other group health coverage or Medicare or your TCC period ends. Note that “group health coverage” in this instance does not include limited coverage such as that consisting of only dental, vision, counseling, or referral services; coverage under a health-care flexible spending arrangement; coverage of treatment that is furnished in an on-site medical facility maintained by the employer and that consists primarily of first-aid services, prevention and wellness care, or similar care; or a combination of any of the above. Also note that *eligibility* for other group health coverage will disqualify you from receiving premium assistance; it does not matter whether you elect to enroll in the other group health coverage.

If you are not eligible for other group health insurance coverage or Medicare and you now wish to enroll in TCC and receive premium assistance, you must complete the attached request form and send it to [Benefits Officer] at the following address:

[Agency Address]

Under TCC rules, you may enroll in any FEHB Program plan as your TCC coverage. However, please note that to be eligible for premium assistance, you must enroll in TCC under either the

FEHB plan you were enrolled in when you were separated from Federal service or another FEHB plan with a premium no greater than the premium for the plan in which you were enrolled at the time you separated. If you receive premium assistance, your premium will be 35 percent of your FEHB TCC premium for the period in which you are eligible and enrolled. You will be billed for your premium share. Please note that receipt of premium assistance does not lengthen the 18-month period for which you are eligible for TCC.

If you become eligible for any group health plan or other coverage described above that makes you ineligible for premium assistance, you must notify your FEHB Program health plan and your former agency at the address provided in this letter. You no longer may receive premium assistance for any remaining TCC period or you may be subject to a penalty of 110 percent of the premium assistance you received.

You also should be aware that there may be tax consequences associated with receipt of premium assistance for certain high income individuals. The Internal Revenue Service website has information for former employees at:

www.irs.gov/newsroom/article/0,,id=204505,00.html.

The Guide to FEHB Plans for TCC Enrollees, the SF-2809 Health Benefits Election Form, and a request for premium assistance are attached. ARRA-TCC premiums for FEHB plans are on the FEHB website at www.opm.gov/insure/health/.

The SF-2809 FEHB Election Form and your premium assistance request must be received at the address shown above within 60 days from the date of this notice for you to be eligible for premium assistance.

If you have questions, please contact me at [\[phone number\]](#).

Sincerely,

[\[Name\]](#)

Benefits Officer

Attachments