Temporary Continuation of Coverage (TCC) Fact Sheet

1. TCC Overview

Temporary Continuation of Coverage or TCC is a provision that was enacted on January 1, 1990, to allow federal employees, retirees, and their family members to temporarily continue their coverage under the FEHB Program, after their coverage would otherwise terminate. Eligibility is dependent upon certain events that would terminate existing FEHB coverage. The employing agency or the Office of Personnel Management (OPM) determines the eligibility for TCC. The qualifying events that establish eligibility are:

- Separation from government service, except an involuntary separation due to gross misconduct
- A divorce or annulment
- A change in circumstances that causes an individual to become ineligible to be considered an unmarried dependent (usually their 26th birthday or marriage).

Sample letters and forms are accessible from the Benefits Health Insurance Page under the Human Resource Professionals section. In addition, OPM has a section on TCC.

2. Spouse Equity

Spouse equity is a provision that allows former spouses whose marriage to an employee or annuitant is dissolved to enroll in a health benefits plan. Eligibility is extended to former spouses provided that the former spouse:

- Does not remarry before age 55
- Was enrolled as a family member at any time during the 18 months preceding the divorce
- Currently receives, or has future title to receive, a portion of annuity payable to the employee upon retirement

The former spouse has 60 days to apply for health benefits. Coverage remains in effect unless:

- The court order ceases to provide entitlement to survivor annuity, or
- The former spouse remarries before age 55, or
- The employee or annuitant on whose service benefits were provided dies and no survivor annuity is payable.

NOTE: This is not a complete list but it does cover most situations.

3. Notification of Eligibility for TCC Coverage

The employing agency must notify former employees of their rights no later than 30 days after the end of the grace period. In the case of a child or a former spouse who is eligible for TCC, the enrollee may, within 60 days after the qualifying event, provide written notice to the employing office of the change in status. The employing office must notify the child or former spouse of his or her rights within 14 days of receiving the notice. Sixty days prior to a dependent reaching their 26th birthday, the carrier send notification to the enrollee advising him/her that the dependent will no longer be eligible for coverage under the enrollee's coverage. In that letter the employee is informed that the dependent is eligible for either a conversion policy by contacting their local Plan, or that the dependent may be eligible for TCC coverage. The employee is instructed to contact their federal agency if they are interested in TCC coverage.

4. Length of TCC Coverage

The length of TCC coverage is dependent upon the qualifying event. Former employees, retirees and their dependents are covered up to 18 months after leaving government service. Former spouses and children who take out their own policies are eligible for 36 months after the divorce or 26th birthday. If a spouse or child enrolls in his or her own TCC policy due to being dropped from a previous TCC policy, he/she cannot be covered for any longer than 36 months between the two policies. The termination date for the member is calculated by the system at the time he/she is enrolled, and reflected on the enrollment screens.

5. Applying for TCC or Spouse Equity

The employee or dependent should contact the employee’s local personnel office. A former spouse should contact the Office of Retirement Programs at OPM. The federal agency has the responsibility of determining eligibility and initiating the enrollment process for dependents, and OPM has the responsibility of determining eligibility for a former spouse.

6. TCC Enrollment Process

The dependent or former spouse must complete an SF 2809 to elect TCC coverage. An individual may enroll in Self Only or Family coverage. He/she may enroll in any available plan in their servicing area plan or option which may be different from the one covering the individual at the time of the qualifying event. A former employee's election must be submitted within 60 days after the later of – the date of separation; or the date the former employee received the notice from the

employing office. A child's election must be submitted within 60 days after the later of – the date of the qualifying event; or the date the child received the notice. Former spouses have the same time frames as those for children, except that they would also have 60 days from the point they lost their coverage under the Spouse Equity Provision, as long as the spouse equity coverage terminated within 36 months of the original contract.

All former employees, dependents, or former spouses have their TCC enrollments processed through the National Finance Center (NFC). The information is sent from the local court unit's human resources office to NFC. The effective date of coverage is the date after the 31-day grace period. If an individual elects TCC after the 31-day grace period, but before the specified election period, coverage is restored retroactively to the same extent as though there were no break in coverage.

7. Role of the National Finance Center (NFC)

NFC serves as the billing office for employees, dependents, or former spouses for their TCC contracts. NFC collects the information from the human resources offices and forwards it to the appropriate carrier. The phone number for employees to contact the NFC is: 800-242-9630. Health Benefits Officers may call: 504-255-5990.

8. TCC Premium Rate Calculation

The enrollee must pay the full enrollment charge, including the government contributions and employee withholdings, plus a 2% administrative charge. However, the premium rate for a former spouse does not include the administrative charge. An enrollee whose coverage terminates because of non-payment may not re-enroll or reinstate coverage.

9. Explanation of "Gross Misconduct"

A unit executive may deny temporary continuation of health benefits coverage for an employee who is separated due to gross misconduct, but the prescribed procedure must be followed. If the unit executive determines that the offense for which the employee is being removed constitutes gross misconduct, he/she must notify the employee in writing of his or her intention to deny the temporary coverage. That notice must be made no later than the date of separation. The responsibilities of the unit executive are stated in 5 CFR § 890.1102. It states that "gross misconduct means a flagrant and extreme transgression of law or established rule of action for which an employee is separated and concerning which a judicial or administrative finding of gross misconduct has been made." The interpretation of what constitutes gross misconduct (based on that definition) is to be made by the unit executive.