

FEHB Coverage Guidelines for Separations

Following are guidelines for processing separation actions:

- Complete the FEHB Coverage Code for retirement, death, resignation in lieu of involuntary action, or involuntary termination personnel actions.
- Complete the severance pay data when Remarks Code N22 is used.
- When the action is a retirement or death action, and the FEHB code is 1, enter one of the following codes in the Remarks window:

Remarks	Definition
388	Terminate FEHB enrollment - Employee ineligible to continue FEHB coverage
389	Transfer FEHB enrollment to OPM - Employee eligible to continue FEHB coverage
390	Transfer FEHB enrollment to DC Retirement System- Employee under Retirement Coverage Code Y or Z and eligible to continue FEHB coverage
391	Transfer COVA Retirement to Annuity System
564	Terminate FEHB – Not enrolled since first opportunity
565	Terminate FEHB – Not enrolled five years
566	Terminate FEHB – No survivor eligible to continue health benefits

- Employees asked to resign involuntarily or are terminated involuntarily may be eligible for discontinued service retirement. These employees may be eligible to transfer their FEHB coverage to OPM if the conditions required for continuation of FEHB enrollment are met. Enter Remarks Code 388, 389, or 390 on the resignation/termination action to indicate FEHB coverage will/will not continue.

Retirement

A retirement action is processed when an employee has contributed to a retirement system and is eligible to retire and collect an immediate annuity. Use RETM to track the processing of applications for retirement benefits in the event an employee retires, is deceased, or separates with a request for a refund of retirement contributions.

- When the employee is enrolled in FEHB and Remark Code 390 is entered on a retirement action, the retirement plan code must be Y or Z.
- When the employee is enrolled in FEHB and Remark Code 391 is entered on a retirement action, the retirement plan code must be 8 or 9.

Resignation

A resignation action is processed when an employee voluntarily elects to leave the organization.

- FEHB Remarks Code 388 and 389 must be entered for a resignation in lieu of involuntary action.
- Remarks Code 388, 389, 390, 391, 564, 565, or 566 must be entered on retirement, death, resignation in lieu of involuntary action, and involuntary termination actions when the employee is enrolled in FEHB.

NFC Processing Tips

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Death

A death action is processed to remove a deceased employee's record from the database and to settle the deceased employee's accounts as required by laws and regulations. All death cases must have an SPPS record established to enable payments to beneficiaries.

- Remark Code 388, 389, 390, 391, 564, 565, or 566 must be entered on retirement, death, resignation in lieu of involuntary action, and involuntary termination actions, when the employee is enrolled in FEHB.
- When the employee is enrolled in FEHB and Remark Code 390 is used on a death action, the retirement plan code must be Y or Z.
- When the employee is enrolled in FEHB and Remark Code 391 is entered on a death action, the retirement plan code must be 8 or 9.

Termination

A termination action is processed when an agency terminates the employee (through no fault of the employee) because of a non-disciplinary action such as expiration of appointment, lack of work, lack of funds, etc.

- FEHB Remarks Code 389 must be entered for an involuntary termination.
- Remarks code 388, 389, 390, 391, 564, 565, or 566 must be entered on retirement, death, resignation in lieu of involuntary action, and involuntary termination actions, when the employee is enrolled in FEHB.