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Professional Guidance for Divorcing Individuals

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DID YOU KNOW

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That former spouses of Federal Employees can continue their Federal health insurance coverage beyond divorce?

The loss of coverage under the Federal Employees Health Benefits Program (FEHBP) can be expensive and potentially devastating to a spouse whose soon to be ex-husband or ex-wife is a Federal employee.

Most professionals are familiar with the Fed's Temporary Continuation of Coverage (TCC). This coverage is similar to that of COBRA in the Private Sector and provides benefits to a former spouse up to 36 months after the divorce. The former spouse must pay both the employee's and government's share of the Plan's premium plus an administrative charge of 2% of the total premium.

There are also a Spouse Equity provisions that enable a former spouse to maintain their coverage **beyond** the 36-month window. This is extremely important for those who may have insurability or other issues that would make coverage unlikely or impractical under the circumstances.

A former spouse is eligible to enroll under the Spouse Equity provisions if he or she:

- Was divorced during Federal employment or, receipt of a Federal annuity;
- Was covered as a family member under an FEHB enrollment at least one day during the 18 months before the marriage ended;
- Is entitled to a portion of the ex-spouse's annuity or survivor annuity of no less than $100 per month; and
- Has not remarried before age 55.

The former spouse must apply within 60 days after the divorce settlement with a written notice that he or she wants to continue FEHBP coverage under the spouse equity provision. He or she can also elect family coverage for qualifying family members. The cost of coverage is the same as under TCC without the 2% administration charge.

To avoid a lapse in coverage, it may be advantageous for the former spouse to enroll in the TCC pending a decision on eligibility for coverage under the Spouse Equity provisions. The provisions are described in section 8905 of Title 5, U.S. Code .

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