

## Functional Requirements Document (FRD)

<b>Project#</b> 90537	<b>Project Title: FEHB Billing for Employees Absent-Uniformed Service Not In Support of Contingency</b>	<b>Date Prepared:</b> 6/17/2011
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<b>Background and Scope:</b>	<p>IRS submitted a request for modifications to the Payroll/Personnel System related to OPM regulations regarding FEHB billing during Absent-Uniformed Service when the employee's deployment was not in support of a military contingency operation.</p> <p>Employees who are Absent-Uniformed Service when not in support of a military contingency operation may keep their FEHB coverage for up to 24 months. Employees are liable for the employees' share of FEHB premiums for the first 12 months (365 days of non-pay status). Employees are required to pay the employee and government shares of the FEHB premium plus a 2% administrative fee (102% FEHB premium costs) after expiration of the initial 12 months of non-pay status. NFC has elected to waive the 2% administrative fee which could have been collected for the processing these payments.</p> <p>When the agency processes the personnel action placing the employee in Absent-Uniformed Service using NOAC 460/DAM, NOAC 473/Q3K and NOAC 473/Q3K/QRD, the system changes the current employment status (CES) code from 00 to 09-Military Furlough (employee pays FEHB) and the <b>FEHB TERM MIL, FEHB MIL BEGIN DATE, FEHB FLAG MIL</b> counters begin (appear on IRIS 140).</p> <p>The system does not flip the CES code upon the completion of the first 12 months of non-pay status and the agency is charged for the full FEHB premium (employee and agency shares) for the entire 2 year period. The agency must manually track this and work with ABCO to establish a corrected bill to be sent to the employee upon his/her return to duty or separation from the agency as the ABCO bill is set up to collect for the employee's share only of the FEHB premium during the 2 year period. However, the employee is liable for the employee and agency's share of FEHB premium in the 2<sup>nd</sup> year (100% of FEHB premium). This is outlined in the attached chart.</p> <p>As a result, agencies are not receiving the full reimbursement of FEHB premiums paid on behalf of the employee while performing military service.</p>
<b>Assumptions:</b>	<p>NFC will not collect the 2% administrative fee in the second year of FEHB coverage upon the employee's return from military service.</p> <p>Personnel actions processed with NOACs identified in the attached table the CES code will continue to change to either a 09-Military Furlough (employee pays percentage) or 01-Military Furlough (agency pays all) depending on the NOAC used.</p> <p>If the employee returns to duty for a minimum of 1 day and then is re-deployed (this would be noted by a NOAC 292, RTD personnel action and then LWOP-NTE NOAC 460/DAM or Absence-Uniformed Service, NOAC 473/Q3K or NOAC 473/Q3K/QRD), the <b>FEHB TERM MIL, FEHB FLAG MIL</b> and <b>FEHB MIL BEGIN DATE</b> data elements shown in IRIS140 are immediately reset and the new 24 month period of FEHB coverage begins. (For each set of military orders, a new 24-month period of FEHB coverage begins.)</p> <p>The <b>FEHB TERM MIL</b> and <b>FEHB MIL BEGIN DATE</b> data elements track the military non-pay time. Once the counter reaches 730 days of non-pay</p>

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	status, the employee's FEHB coverage is systemically terminated.  Collections related to the ABCO bills for FEHB indebtedness are forwarded to the agency as reimbursement for paying FEHB premiums during employees' absence.
<b>Test:</b>	Testing will occur in the CUAT environment.

### Functional Requirements

(Completed by the NFC Project Owner before being sent to the agency.)

#### **Payroll Systems Branch (PASB) Requirements**

PASB will ensure the PAYE system is modified to send ABCO the full FEHB premium amount as due from the employee when **FEHB TERM MIL** reaches 366 days of non-pay status and employee's CES code equals 9. If 366 days are reached in the middle of a pay period, the rate change to 100% of the FEHB premium (employee and agency shares) will take effect the following pay period. This new amount will be added to the existing amount found in ABCO so that when the employee returns to duty, the ABCO bill will reflect the correct amount of FEHB premiums owed, equal to 12 months of the employee premium plus 12 additional months of the full premium.

#### **Personnel Systems Branch (PESB) Requirements**

Not Applicable

#### **Administrative Applications Systems Branch (AASB) Requirements**

Not Applicable

#### **Web Applications Systems Branch (WASB) Requirements**

Not Applicable

#### **Human Resources Applications Staff (HRAS) Requirements**

Not Applicable

**Signature of SRB Chief:**

**Date:**

/s/ Cherie D. Landry

6/17/11