	United States Department of Agriculture Office of the Chief Financial Officer National Finance Center Government Employees Services Division

Functional Requirements Document (FRD)		
Project# 685780	**Project Title:** FEHB for Step Children who are not Tax Dependents	**Date Prepared:** 6/20/2014

Scope:	On October 30,2013, the Office of Personnel Management (OPM) released final regulations to extend Federal Employees Health Benefits (FEHB) and Federal Dental and Vision Insurance (FEDVIP) eligibility to children of same sex domestic partners of Federal Employees whom are not married but would marry if they lived in a state that allows same-sex couples to marry (for the purposes of this document, these children will be referred to as either a 'newly eligible stepchild' or newly eligible stepchildren). These regulations took effect on January 1, 2014. Currently Domestic Partner stepchildren, who are not tax dependents, are not eligible for FEHB Health Benefits. This change will make newly eligible, non-tax deductible step-children eligible for health benefits. The employee will have 60 days after they have submitted documentation to their HR office (FEHB/FEDVIP Declaration of Domestic Partnership and Tax Certification) in which to submit a SF2809 for newly eligible step-children to receive health benefits. The employee's HR office will store these 2 documents (Declaration of Domestic Partnership FEHB and FEDVIP, and Certification of Dependent Tax Status for Purposes of Coverage under FEHB and FEDVIP) in the employee's eOPF on the permanent side. The agency will be responsible to determine if the employee lives in a state where same-sex marriage is available. If the employee lives in a state where same-sex marriage is available, the employee is not eligible for the benefit. As states laws change and same-sex marriage becomes legal and the domestic partners do not become married, the employee must submit a cancellation for the newly eligible covered step-children. An employee who is currently enrolled in a Self and Family plan must submit a SF2809 with the following information recorded in the 'Remarks' section: an 'A' with the number of step-children being added.(i.e. A01 for one step-child or A02 for two step-children). This SF2809 is submitted for informational purposes only and no event code is needed. (Currently when an employee adds a family member a phone call to the Carrier is made). An employee with Self Only Enrollment must process a change with a Qualifying Life Event code (QLE). In the remarks section, the employee shall place an 'A' with the number of step children being added (i.e. A01 for one step-child or A02 for two step-children). If an employee is not currently enrolled in a health plan, the employee must first become enrolled during the next open season. Once enrolled, completes the SF2809 with a Qualifying Life Event code (QLE) and, in the remarks section, the employee shall place an 'A' with the number of step child/ren being added (i.e. A1 for one step-child or A02 for two step-children). When an employee no longer wishes to cover his or her stepchild/ren a SF2809 must be processed and, in the remarks section, place a 'B' with the number of step child/ren being removed (i.e. B01 for one step-child or B02 for two step-children).

	The system should charge employees the lesser of either: 1) the fair market value amount multiplied by the number of non-tax dependent step-child/ren covered, or 2) the full premium amount of the applicable Self and Family enrollment. Example: An enrollee has Blue Cross Blue Shield Basic Family FEHB coverage, Enrollment Code 112 and is receiving premium conversion. The enrollee adds two newly eligible stepchildren to their FEHB self and family plan. The full premium amount of the 112 enrollment for 2014 is $14,846.52. The imputed value for one child is $2,678.40. The enrollee will be charged $5,356.80 ($2,678.40 X 2) in imputed income. If this same enrollee adds four more stepchildren, the enrollee will be charged the full premium amount of $14,846.52 imputed value instead of the cost per child ($2,678.40 X 6=$16,070.40) because the full premium amount is less than the cost of six children. For FEDVIP enrollment changes, the agency's HR office does not have to communicate with the payroll office.
Assumptions:	There are no changes in the way the SF2809 and the SF2810 process through the system other than stated changes. There are no changes in records sent to OPM and Carriers. These changes will be made for only newly eligible step-children who are not Tax Dependents. The agency's HR Offices will be responsible to collect and store the two documents (Declaration of Domestic Partnership FEHB and FEDVIP, and Certification of Dependent Tax Status for Purposes of Coverage under FEHB and FEDVIP) as mandated by OPM. The agency's HR offices are responsible to notify the employee of eligibility or non-eligibility. Employees will be responsible to submit the correct forms to their agency's HR offices to add or to delete eligible non-tax dependent step-children, in a timely manner.
Test:	

Functional Requirements

☑ **Payroll Applications Systems Branch (PASB) Requirements**

• Read Data Base Field Health Benefit Use to retrieve the number of newly eligible step-children and the data base field Tax Deferred Field using Y (Premium Conversion) or N (No Premium Conversion) and call TMGT Table 12 to calculate the amount of yearly Imputed income for each newly eligible step-child/ren.
• PAYE should :
o Compute the yearly Fair Market Value for total number of step child/ren. Using applicable FEHB Carrier number on TMGT012 multiply number of newly eligible step child/ren by the imputed value in the Premium Conversion or No Premium Conversion field based upon the criteria above.
o Compute full premium amount. Using contribution + deduction.
o Take the lessor of these two amounts and divide by 26 to get bi-weekly amount and add to taxable gross.
• Modify TMGT012 to include two new data base fields: Premium Conversion and No Premium Conversion for each FEHB Carrier.

• Upload OPM provided Table 'Annual Imputed Income per Child for 2014' to TMGT table 012 Health Benefit Rates. Using provided carrier codes create two new headings: 'Premium Conversion' and 'No Premium Conversion' with applicable amounts under each carrier code. OPM will send new rates for imputed income each year with new pay rates.

☑ **Personnel Applications Systems Branch (PESB) Requirements**

Allow an informational 2809 to be entered without a (QLE) Qualifying Life event code for employees who currently have Self and Family Coverage on the database.
On the Remarks section of the 2809 read the first three positions (alpha/numeric) 'A'#, 'B'# in the remarks section and display on the database using the following database field names Health Benefit USE.
If #, is received, place the number (i.e. 01) of newly eligible step-children in the database field named Health Benefit Use. ('A' # may be received on a SF2809 more than once, in these cases add newly received to number already on database).
If 'B' # is received, subtract the number (i.e. 01) from what has applied to the database. If the result is a '0' erase the field. If the subtraction results are a negative number erase the filed.
Display on IRIS 115 Health Benefits the 2 position numeric indicators on the field named Health Benefit Use.

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

"Not Applicable"

☑ **Payroll Web Systems Branch (PWSB) Requirements**

EPIC Applications

Modify the 180 Payroll Document: "Health Registration Form (SF-2809)" entry screens to allow HR offices to record a non-tax dependent step-child(ren) of a Domestic Partnership for the purpose of extending Federal Employee Health Benefits coverage.

To record a new enrollment or change in enrollment, the HR representative will be required to complete the 180 Payroll Document: Health Benefits Form. For employees already enrolled in a Family plan and adding or removing non-tax dependent step-children, Transaction Code "5" and Event Code "2" must be used; the SF2809 is submitted for informational purposes only and a QLE will not be required. (Refer to Figure 1) Otherwise, an 'Event code that permits change' aka QLE will be required to enroll the employee or to change the employee's health benefit coverage from Self-Only to Self and Family coverage.

In order to include an edit to verify the first 3 positions of the Remark field, a new dropdown selection of 'yes' or 'no' will be added and available to select on the tab "Other" of the Health Registration Form (SF-2809), doc type 180 with the following question:

> *Is this SF-2809 adding or removing non-tax dependent step-children of a domestic partner?* (Refer to Figure 2)

The default for this selection will be set to 'No'. If the answer to this question is yes, meaning a non-tax dependent child(ren) is being added to or removed from a Federal Employee's Health Benefit coverage, the processor will record a three (3) position alpha/numeric value in the Remarks field starting at the 1st position. The recorded value will indicate the number of non-tax dependent step children being added or removed by placing an 'Ann' or 'Bnn' into the 1st three positions of the Remarks fields. The 'A' will indicate an addition to, the 'B' will indicate a removal from, and 'nn' is the number of non-tax dependent stepchildren of a domestic partner being added or removed.

To ensure data entry accuracy, a validation routine will execute as part of the Save function to verify the format of the data placed into the first three positions of the Remarks field. An invalid data error notification will be presented to the processor when the following scenario's are not met: if yes is indicated, the first position of the Remarks field must be an "A" or a "B" and the next two positions must be numeric in value; if the answer is "No", the first three position of the remarks cannot contain the value/format equal to the values as if the answer to the question is yes.

Figure 1

Figure 2

☐ **Administrative Web Systems Branch (AWSB) Requirements**

"Not Applicable"

☑ **Human Resources Applications Branch (HRAB) Requirements**

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To record a new enrollment or change in enrollment, the HR representative will be required to complete the 180 Payroll Document: Health Benefits Form. For employees already enrolled in a Family plan and adding or removing non-tax dependent step-children, the SF2809 is submitted for informational purposes only and a QLE will not be required. Otherwise, an 'Event code that permits change' aka QLE will be required to enroll the employee or to change the employee's health benefit coverage from Self-Only to Self and Family coverage.

In order to include an edit to verify the data in the first 3 positions of the Remarks field, a new dropdown selection of 'yes' or 'no' will be added and available to select in response to the following question:

> *Is this SF-2809 adding or removing non-tax dependent step-children of a domestic partner?*

The default for this selection will be set to 'No". If the answer to this question is yes, meaning a non-tax dependent child(ren) is being added to or removed from a Federal Employee's Health Benefit coverage, the processor will record a three (3) position alpha/numeric value in the Remarks field starting at the 1st position. The recorded value will indicate the number of non-tax dependent step children being added or removed by placing an 'Ann' or 'Bnn' into the 1st three positions of the Remarks fields. The 'A' will indicate an addition to, the 'B' will indicate a removal from, and 'nn' is the number of non-tax dependent stepchildren of a domestic partner being added or removed.

To ensure data entry accuracy, a validation routine will execute as part of the Save function to verify the format of the data placed into the first three positions of the Remarks field. An invalid data error notification will be presented to the processor when the following scenario's are not met: if yes is indicated, the first position of the Remarks field must be an "A" or a "B" and the next two positions must be numeric in value; if the answer is "No" or unchanged, the first three positions of the remarks cannot contain the value/format equal to the values as if the answer to the question is yes.

Signature of Systems Requirements Branch Chief: **Date:**
/s/ Dennis Laughlin (acting)

Signature of Web Requirements Branch Chief: **Date:**
/s/ Alisa R. Wells