



# 2020 FEHB Open Season

Presented by ProFeds

## 2020 FEHB Open Season

### Welcome

- About today's topic
- Our audience today
- Q&A – the ProFeds Support Team standing by
- Handouts – available for download
- Recorded – how to get the replay
- Stay until the end!

## 2020 FEHB Open Season

### Your ProFeds Presenter



#### Chris Kowalik

- ProFeds Founder
- Developer of the FedImpact Retirement Workshop
- Host of the FedImpact Podcast

#### Support Team

- Standing by for your questions

**FedImpact**  
Retirement Training  
presented by ProFeds

## 2020 FEHB Open Season

# 2020 FEHB Open Season

## Managing Your FEHB Decisions with an Eye on Retirement

(November 9 – December 14, 2020)

### Agenda

- Retain access for the federal employee
- Retain access for family members
- TRICARE Recipients
- Dual Federal Employee Couples
- Costs for Everyone
- A few surprises to watch out for!



## Retain Access for the Employee

### Retain Access for the Federal Employee

- Two requirements to keep FEHB in retirement:
  - Must have been enrolled in FEHB for the 5-year period immediately prior to retirement, AND
  - Must be enrolled in FEHB on the day of retirement



### Retain Access for the Federal Employee

- You ARE permitted to switch FEHB plans during the 5-year period
- Other FEHB-related programs
  - FEDVIP: Dental and Vision Plans
  - FSA: Flexible Spending Accounts





## Retain Access for Family Members

### Retain Access for the Family Members

- Eligible family members
  - Spouse
  - Children under age 26
  - Disabled adult children (special rules apply)
- There is NO 5-year requirement for family members to be covered



### Retain Access for the Family Members

- For family members to have a chance to keep FEHB, they must be covered before you die!
- They can be added or removed in retirement during Open Season or following a Qualifying Life Event
- NOTE: "Retirement" is not a QLE!



### Retain Access for the Family Members

- There are other requirements to keep FEHB coverage after you die as a retiree:
  - Spouse: must be named as a Survivor Annuitant (at least the minimum level)
  - Disabled Child: must have been deemed disabled prior to the age of 18 and incapable of self-support
- Keep in mind that premiums are still due!

2020 FEHB Open Season



## TRICARE Recipients

2020 FEHB Open Season

### TRICARE Recipients

- The 5-year rule can be satisfied by time on TRICARE, BUT
- You must still be enrolled in FEHB on the day you retire from federal service
- Suspending FEHB to use TRICARE – when and why



2020 FEHB Open Season



## Dual Federal Employee Couples

2020 FEHB Open Season

### Dual Federal Employee Couples

- Two Self-Only plans vs. Self Plus One
  - Typically 10-15% cheaper to have two Self-Only plans (as long as there are no eligible children)
- Example of the BCBS Plan
  - Self Plus One: \$267.15/pp
  - Two Self-Only: \$233.82/pp



### Dual Federal Employee Couples

- Still must meet '5-year' and 'day-of' rule
- The government doesn't care whose plan you are under as long as you are covered under the FEHB umbrella for the required time
- You are permitted to switch plans within that 5-year period (policy holder, carrier, plan, who is covered)

### Dual Federal Employee Couples

- To keep FEHB coverage under your own right (not that of a spouse), you must
  - Retire from federal service under an immediate pension
  - Been covered under either person's FEHB coverage for the 5-year requirement
- Why this matters later...

### Dual Federal Employee Couples

- If both of you are entitled to your own FEHB coverage, you have more options to:
  - Choose which plans are most advantageous (i.e. Two Self Only plans vs. Self Plus One)
  - Choose which Survivor Benefit options to take based solely on the merits of the plan (not on its connection to FEHB coverage for a spouse)
  - When one of you dies, the other picks up FEHB



## Costs for Everyone

### Costs for Everyone

- Just announced: FEHB premiums for 2021 increase average of ~5%
- Effects of the rising cost of FEHB
  - Rising exponentially compared to pay raises, COLAs & inflation!
- Don't JUST consider the premiums when choosing your plan!



### Costs for Everyone

- Huge perk while you're working!
- The power of premium conversion
  - While working, you pay FEHB premiums with pre-tax dollars
  - In retirement, you pay FEHB premiums with after-tax dollars
- Special note for dual feds

If you're in a 24% tax bracket in the BCBS High Self Plus One:

Pre-tax premium: \$6,946/year

After-tax premium: \$9,139/year

**Your NEW tax burden as a retiree is \$2,193!**



### A Few Surprises...

### A few surprises...

- 5-year rule hiccups (on spouse's plan and early out considerations)
- FEHB costs exponentially rising erodes an otherwise great retirement income plan
- Unexpected tax burden is often overlooked – must have a plan!



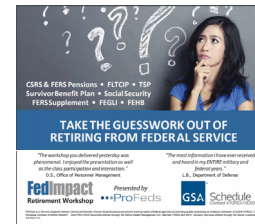
## 2020 FEHB Open Season



# How Can You Tip the Odds in Your Favor?

## 2020 FEHB Open Season

### Get the Rest of the Story



- Attend a workshop:
  - Virtual and live options
  - No cost to attend
  - Covers all of the federal benefit topics and decisions to be made
- See all the details at [FedImpact.com/Attend](https://FedImpact.com/Attend)

## 2020 FEHB Open Season

### Handouts & Replay



- Handouts
  - Download
  - Emailed
- Replay
  - Link will be emailed to all registered participants

## 2020 FEHB Open Season

### Next Webinar



- Next webinar topic!
  - Leveraging Your TSP in 2021: Key insights to get the most out of the TSP in the new year
- Sign-up at: [FedImpact.com/Webinar](https://FedImpact.com/Webinar)

Find a workshop: [FedImpact.com/Attend](https://FedImpact.com/Attend)  
Next webinar: [FedImpact.com/Webinar](https://FedImpact.com/Webinar)



Thank you  
for joining us

Stay tuned for benefits and news updates!



[Facebook.com/FedImpact](https://Facebook.com/FedImpact)



[Twitter.com/FedImpact](https://Twitter.com/FedImpact)



[Instagram.com/FedImpact](https://Instagram.com/FedImpact)





CSRS & FERS Pensions • FLTCIP • TSP  
Survivor Benefit Plan • Social Security  
FERS Supplement • FEGLI • FEHB

# TAKE THE GUESSWORK OUT OF RETIRING FROM FEDERAL SERVICE

The FedImpact Retirement Workshop gives federal employees a *no-nonsense approach* to evaluating the *financial impact of benefits decisions* made as they near retirement.

## Our Training Agenda Includes:

- General Retirement Planning
- Federal Pensions (CSRS & FERS)
- Survivor Benefit Plan (SBP)
- Social Security (SS)
- Special Retirement Supplement (SRS)
- Life Insurance (FEGLI)
- Health Insurance (FEHB)
- Long Term Care Insurance (FLTCIP)
- Thrift Savings Plan (TSP)

**Space is limited—reserve your spot today!**

**To register, visit: [FedImpact.com/attend](http://FedImpact.com/attend)**

*“The workshop you delivered yesterday was phenomenal. I enjoyed the presentation as well as the class participation and interaction.”*

D.S., Office of Personnel Management

*“The most information I have ever received and heard in my ENTIRE military and federal years.”*

L.B., Department of Defense

**FedImpact**  
Retirement Training  
presented by **ProFeds**

**GSA** Schedule

ProFeds is a Service-Disabled Veteran-Owned and Woman-Owned Small Business serving the training needs of federal agencies by providing quality workshops as a federal contractor (CAGE# 5YRG2). (GSA Schedule 47QREA19D000Y) 844-PRO-FEDS