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OFFICE OF PERSONNEL MANAGEMENT

5 CFR Parts 831, 842, 846, 870, 871, 872, 873 and 890

RIN 3206-AG78

Retirement, Health, and Life Insurance Coverage for DC Financial Control Authority Employees

AGENCY: Office of Personnel Management.

ACTION: Interim rule with request for comments.

SUMMARY: The Office of Personnel Management (OPM) is issuing interim regulations to implement the District of Columbia Financial Responsibility and Management Assistance Act of 1995. The Act allows certain employees of the District of Columbia Financial Control Authority to elect to be considered Federal employees for purposes of Federal retirement, health and life insurance coverage. These regulations set forth the conditions under which these employees may acquire Federal benefits coverage and clarify when such coverage is effective.

DATES: Interim rules effective October 26, 1996; comments must be received on or before January 14, 1997.

ADDRESSES: Send comments to John E. Landers, Chief, Retirement Policy Division; Retirement and Insurance Service; Office of Personnel Management; P.O. Box 57; Washington, DC 20044; or deliver to OPM, Room 4351, 1900 E Street, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Patrick Jennings, (202) 606-0299 concerning retirement coverage, or Margaret Sears (202) 606-0004 concerning health and life insurance coverage.

SUPPLEMENTARY INFORMATION: The District of Columbia Financial

Responsibility and Management Assistance Act of 1995 was enacted on April 17, 1995, as Public Law 104-8, 109 Stat. 97. It established the District of Columbia Financial Responsibility and Management Assistance Authority (the Authority), and permitted certain former Federal employees to continue Federal retirement coverage as employees of the Authority if appointed to the Authority within 2 months after leaving a Federal position with coverage under the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). It did not provide for Federal health or life insurance coverage.

Section 153 of Public Law 104-134, 110 Stat. 1321, enacted April 26, 1996, amended the Act to permit Federal employees separating from Federal service and other individuals employed by the Authority to elect to be deemed a Federal employee while employed with the Authority for the purposes of the following chapters of title 5, United States Code: chapter 83 (CSRS) or 84 (FERS); chapter 87 (the Federal Employees' Group Life Insurance Program—FEGLI); and chapter 89 (the Federal Employees Health Benefits Program—FEHB). The Act, as amended, also allows certain Authority employees to participate in the Thrift Savings Plan administered by the Federal Employees Thrift Investment Board, which will issue separate regulations.

The basic rule established in law is that employees of the Authority must elect to be covered by Federal benefits or District of Columbia benefits. Under these interim regulations, all employees appointed by the Authority before the effective date of the regulations will have equal access to Federal benefits unless they have chosen District of Columbia benefits.

Beginning on the effective date of these regulations, October 26, 1996, individuals appointed by the Authority to a position not excluded from CSRS coverage (such as service under a temporary or intermittent appointment) may elect to be deemed a Federal employee for CSRS or FERS purposes unless the employee elects to participate in a retirement, health, or life insurance program offered by the District of Columbia. However, by law, a former Federal employee being appointed by the Authority on or after October 26, 1996, no more than 3 days (not counting

District of Columbia holidays) after separation from Federal employment, cannot elect to be deemed a Federal employee for CSRS or FERS purposes unless the election was made before separation from Federal employment.

Under these regulations, the FEGLI and FEHB coverage rules for other Federal employees generally apply to employees of the Authority who elect to be considered Federal employees for life insurance and health benefits purposes. This is especially true for those hired by the Authority on and after these regulations become effective. However, those hired by the Authority before that date did not have the opportunity to make elections under these programs on what would normally be considered a timely basis. Therefore, these regulations clarify that the time limits begin with the individual's election to be considered a Federal employee for insurance purposes, if that is to the benefit of the individual. In addition, these regulations allow the employee to control whether the effective date of the FEHB enrollment election is prospective or retroactive.

Federal employees may be detailed to the Authority under the provisions of part 334 of title 5, Code of Federal Regulations, which addresses assignments of Federal employees to State governments, and the District of Columbia. The Act authorizes such details to the Authority at the request of the Chair of the Authority and with the approval of the head of the employee's Federal department or agency. Employees detailed under part 334 retain their status as Federal employees and are not required to make the elections provided for in these regulations in order to retain Federal benefits coverage.

Section 153 of Public Law 104-134, 110 Stat. 1321, required that regulations be prescribed within 6 months after enactment on April 26, 1996; accordingly, these regulations are effective October 26, 1996.

Waiver of General Notice of Proposed Rulemaking

Under section 553 (b)(3)(B) and (d)(3) of title 5, United States Code, I find that good cause exists for waiving the general notice of proposed rulemaking and for making these rules effective in less than 30 days. Elections under these regulations will affect qualifying employees' retirement coverage

retroactive to their entry on duty with the Authority. The legislation was intended to allow for current retirement deductions to be withheld from pay as soon as practicable. Publication of a general notice on proposed rulemaking would be contrary to the public interest because it would delay the election opportunity for eligible individuals employed during the initial staffing of the Authority.

Regulatory Flexibility Act

I certify that this regulation will not have a significant economic impact on a substantial number of small entities because the regulation will only affect a small number of former Federal employees and a single entity within the Government of the District of Columbia.

List of Subjects

5 CFR Parts 831, 842 and 846

Administrative practice and procedure, Air traffic controllers, Alimony, Claims, Disability benefits, Firefighters, Government employees, Income taxes, Intergovernmental relations, Law enforcement officers, Pensions, Reporting and recordkeeping requirements, Retirement.

5 CFR Part 870

Administrative practice and procedure, Government employees, Hostages, Iraq, Kuwait, Lebanon, Life insurance, Retirement.

5 CFR Parts 871, 872, and 873

Administrative practice and procedure, Government employees, Life insurance, Retirement.

5 CFR Part 890

Administrative practice and procedure, Government employees, Health facilities, Health insurance, Health professions, Hostages, Iraq, Kuwait, Lebanon, Reporting and recordkeeping requirements, Retirement.

U.S. Office of Personnel Management.
Lorraine A. Green,
Deputy Director.

Accordingly, OPM is amending 5 CFR parts 831, 842, 846, 870, 871, 872, 873 and 890 as follows:

PART 831—RETIREMENT

1. The authority citation for part 831 is revised to read as follows:

Authority: 5 U.S.C. 8347; § 831.102 also issued under 5 U.S.C. 8334; § 831.106 also issued under 5 U.S.C. 552a; § 831.108 also issued under 5 U.S.C. 8336(d)(2); § 831.201(b)(6) also issued under 5 U.S.C. 7701(b)(2); § 831.204 also issued under section 102(e) of the District of Columbia

Financial Responsibility and Management Assistance Act of 1995, Pub. L. 104–8, 109 Stat. 102, as amended by section 153 of Pub. L. 104–134, 110 Stat. 1321; § 831.303 also issued under 5 U.S.C. 8334(d)(2); § 831.502 also issued under 5 U.S.C. 8337; § 831.502 also issued under section 1(3), E.O. 11228, 3 CFR 1964–1965 Comp.; § 831.663 also issued under 5 U.S.C. 8339 (j) and (k)(2); §§ 831.663 and 831.664 also issued under section 11004(c)(2) of the Omnibus Budget Reconciliation Act of 1993, Pub. L. 103–66, 107 Stat. 410; § 831.682 also issued under section 201(d) of the Federal Employees Benefits Improvement Act of 1986, Pub. L. 99–251, 100 Stat. 23; subpart S also issued under 5 U.S.C. 8345(k); subpart V also issued under 5 U.S.C. 8343a and section 6001 of the Omnibus Budget Reconciliation Act of 1987, Pub. L. 100–203, 101 Stat. 1330–275; § 831.2203 also issued under section 7001(a)(4) of the Omnibus Budget Reconciliation Act of 1990, Pub. L. 101–508, 104 Stat. 1388–328.

2. Section 831.204 is added to read as follows:

§ 831.204 Elections of retirement coverage under the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(a) *Who may elect*—(1) *General rule.* Any individual appointed by the District of Columbia Financial Responsibility and Management Assistance Authority (the Authority) in a position not excluded from CSRS coverage under § 831.201 may elect to be deemed a Federal employee for CSRS purposes unless the employee has elected to participate in a retirement, health or life insurance program offered by the District of Columbia.

(2) *Exception.* A former Federal employee being appointed by the Authority on or after October 26, 1996, no more than 3 days (not counting District of Columbia holidays) after separation from Federal employment cannot elect to be deemed a Federal employee for CSRS purposes unless the election was made before separation from Federal employment.

(b) *Opportunity to elect FERS.* An individual who elects CSRS under paragraph (a) of this section after a break of more than 3 days between Federal service and employment with the Authority may elect FERS in accordance with 5 CFR 846.201(b)(ii).

(c) *Procedure for making an election.* The Authority or the agency providing administrative support services to the Authority (Administrative Support Agency) must establish a procedure for notifying employees of their election rights and for accepting elections.

(d) *Time limit for making an election.* (1) An election under paragraph (a)(1) of this section must be made within 30 days after the employee receives the

notice under paragraph (c) of this section.

(2) The Authority or its Administrative Support Agency will waive the time limit under paragraph (d)(1) of this section upon a showing that—

(i) The employee was not advised of the time limit and was not otherwise aware of it; or

(ii) Circumstances beyond the control of the employee prevented him or her from making a timely election and the employee thereafter acted with due diligence in making the election.

(e) *Effect of an election.* (1) An election under paragraph (a) of this section is effective on the commencing date of the employee's service with the Authority.

(2) An individual who makes an election under paragraph (a) of this section is ineligible, during the period of employment covered by that election, to participate in any retirement system for employees of the government of the District of Columbia.

(f) *Irrevocability.* An election under paragraph (a) of this section becomes irrevocable when received by the Authority or its Administrative Support Agency.

(g) *Employee deductions.* The Authority or its Administrative Support Agency must withhold, from the pay of an employee of the District of Columbia Financial Responsibility and Assistance Authority who has elected to be deemed a Federal employee for CSRS purposes, an amount equal to the percentage withheld from Federal employees' pay for periods of service covered by CSRS and, in accordance with procedures established by OPM, pay into the Civil Service Retirement and Disability Fund the amounts deducted from an employee's pay.

(h) *Employer contributions.* The District of Columbia Financial Responsibility and Assistance Authority must, in accordance with procedures established by OPM, pay into the Civil Service Retirement and Disability Fund amounts equal to any agency contributions required under CSRS.

PART 842—FEDERAL EMPLOYEES RETIREMENT SYSTEM—BASIC ANNUITY

4. The authority citation for part 842 is revised to read as follows:

Authority: 5 U.S.C. 8461(g); §§ 842.104 and 842.106 also issued under 5 U.S.C. 8461(n); § 842.105 also issued under 5 U.S.C. 8402(c)(1) and 7701(b)(2); § 842.106 also issued under section 102(e) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, Pub. L. 104–8, 109 Stat. 102, as amended by section

153 of Pub. L. 104-134, 110 Stat. 1321; §§ 842.604 and 842.611 also issued under 5 U.S.C. 8417; § 842.607 also issued under 5 U.S.C. 8416 and 8417; § 842.614 also issued under 5 U.S.C. 8419; § 842.615 also issued under 5 U.S.C. 8418; § 842.703 also issued under section 7001(a)(4) of the Omnibus Budget Reconciliation Act of 1990, Pub. L. 101-508, 104 Stat. 1388-328; § 842.707 also issued under section 6001 of the Omnibus Budget Reconciliation Act of 1987, Pub. L. 100-203, 101 Stat. 1330-275; § 842.708 also issued under section 4005 of the Omnibus Budget Reconciliation Act of 1989, Pub. L. 101-239, 103 Stat. 2135, and section 7001 of the Omnibus Budget Reconciliation Act of 1990, Pub. L. 101-508, 104 Stat. 1388-327; subpart H also issued under 5 U.S.C. 1104.

5. Section 842.106 is added to read as follows:

§ 842.106 Elections of retirement coverage under the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(a) *Who may elect*—(1) *General rule.* Any individual appointed by the District of Columbia Financial Responsibility and Management Assistance Authority (the Authority) in a position not excluded from FERS coverage under § 842.105 may elect to be deemed a Federal employee for FERS purposes unless the employee has elected to participate in a retirement, health or life insurance program offered by the District of Columbia.

(2) *Exception.* A former Federal employee being appointed by the Authority on or after October 26, 1996, no more than 3 days (not counting District of Columbia holidays) after separation from Federal employment cannot elect to be deemed a Federal employee for FERS purposes unless the election was made before separation from Federal employment.

(b) *Procedure for making an election.* The Authority or the agency providing administrative support services to the Authority (Administrative Support Agency) must establish a procedure for notifying employees of their election rights and for accepting elections.

(c) *Time limit for making an election.* (1) An election under paragraph (a)(1) of this section must be made within 30 days after the employee received the notice under paragraph (b) of this section.

(2) The Authority or its Administrative Support Agency will waive the time limit under paragraph (c)(1) of this section upon a showing that—

(i) The employee was not advised of the time limit and was not otherwise aware of it; or

(ii) Circumstances beyond the control of the employee prevented him or her from making a timely election and the

employee thereafter acted with due diligence in making the election.

(d) *Effect of an election.* (1) An election under paragraph (a) of this section is effective on the commencing date of the employee's service with the Authority.

(2) An individual who makes an election under paragraph (a) of this section is ineligible, during the period of employment covered by that election, to participate in any retirement system for employees of the government of the District of Columbia.

(e) *Irrevocability.* An election under paragraph (a) of this section becomes irrevocable when received by the Authority or its Administrative Support Agency.

(f) *Employee deductions.* The Authority or its Administrative Support Agency must withhold, from the pay of an employee of the District of Columbia Financial Responsibility and Assistance Authority who has elected to be deemed a Federal employee for FERS purposes, an amount equal to the percentage withheld from Federal employees' pay for periods of service covered by FERS and, in accordance with procedures established by OPM, pay into the Civil Service Retirement and Disability Fund the amounts deducted from an employee's pay.

(g) *Employer contributions.* The District of Columbia Financial Responsibility and Assistance Authority must, in accordance with procedures established by OPM, pay into the Civil Service Retirement and Disability Fund amounts equal to any agency contributions required under FERS.

PART 846—FEDERAL EMPLOYEES RETIREMENT SYSTEM—ELECTING COVERAGE

4. The authority citation for part 846 is revised to read as follows:

Authority: 5 U.S.C. 8461(g); § 846.201(b) also issued under 5 U.S.C. 7701(b)(2); § 846.202 also issued under section 301(d)(3) of Pub. L. 99-335, 100 Stat. 600; § 846.201(b)(ii) also issued under section 153 of Pub. L. 104-134, 110 Stat. 1321.

5. In section 846.201, paragraph (b) is redesignated as paragraph (b)(1), and a new paragraph (b)(2) is added to read as follows:

§ 846.201 Elections to become subject to FERS.

* * * * *

(b)(1) * * *

(2) *Separated employees who are employed with the District of Columbia Financial Management and Assistance Authority (Authority).* A former employee who becomes employed with

the Authority and subject to CSRS may elect, during the 6-month period beginning on the date he or she becomes subject to CSRS, to become subject to FERS, except that an employee serving under an interim appointment under the authority of § 772.102 of this chapter is not eligible to elect to become subject to FERS.

* * * * *

PART 870—BASIC LIFE INSURANCE

6. The authority citation for part 870 is revised to read as follows:

Authority: 5 U.S.C. 8716; § 870.210(b) also issued under sec. 153 of Pub. L. 104-134, 110 Stat. 1321; § 870.202(c) also issued under 5 U.S.C. 7701(b)(2); subpart J also issued under sec. 599C of Pub. L. 101-513, 104 Stat. 2064, as amended.

7. In § 870.201, the existing paragraph is designated as paragraph (a) and a new paragraph (b) is added to read as follows:

§ 870.201 Coverage.

* * * * *

(b) An employee of the District of Columbia Financial Responsibility and Management Assistance Authority (the Authority) who makes an election under the Technical Corrections to Financial Responsibility and Management Assistance Act (section 153 of Public Law 104-134, 110 Stat. 1321) to be considered a Federal employee for life insurance and other benefit purposes is subject to this part. Subject to the provisions of § 870.203, Basic life insurance is effective the later of either the date the employee enters on duty in a pay status with the Authority or the date the Authority receives the employee's election to be considered a Federal employee for life insurance purposes. Employees of the Authority who are former Federal employees are subject to the provisions of § 870.204 and § 870.601(e).

PART 871—STANDARD OPTIONAL LIFE INSURANCE

8. The authority citation for part 871 is revised to read as follows:

Authority: 5 U.S.C. 8716; § 871.201(b) also issued under sec. 153 of Pub. L. 104-134, 110 Stat. 1321.

9. In § 871.201, the existing paragraph is designated as paragraph (a) and a new paragraph (b) is added to read as follows:

§ 871.201 Eligibility

* * * * *

(b) An employee of the District of Columbia Financial Responsibility and Management Assistance Authority (the

Authority) who makes an election under the Technical Corrections to Financial Responsibility and Management Assistance Act (section 153 of Public Law 104-134, 110 Stat. 1321) to be considered a Federal employee for life insurance and other benefit purposes is subject to this part. If the employee is eligible to make an election under § 871.202, such election must be made within 31 days after the later of either the date employment with the Authority begins or the date the Authority receives his or her election to be considered a Federal employee. Employees of the Authority who are former Federal employees are subject to the provisions of § 871.205 and § 871.604.

PART 872—ADDITIONAL OPTIONAL LIFE INSURANCE

10. The authority citation for part 872 is revised to read as follows:

Authority: 5 U.S.C. 8716; § 870.201(b) also issued under sec. 153 of Pub. L. 104-134, 110 Stat. 1321.

11. In § 872.201, the existing paragraph is designated as paragraph (a) and a new paragraph (b) is added to read as follows:

§ 872.201 Eligibility.

* * * * *

(b) An employee of the District of Columbia Financial Responsibility and Management Assistance Authority (the Authority) who makes an election under the Technical Corrections to Financial Responsibility and Management Assistance Act (section 153 of Pub. L. 104-134, 110 Stat. 1321) to be considered a Federal employee for life insurance and other benefit purposes is subject to this part. If the employee is eligible to make an election under § 872.202, such election must be made within 41 days after the later of either the date employment with the Authority begins or the date the Authority receives his or her election to be considered a Federal employee. Employees of the Authority who are former Federal employees are subject to the provisions of § 872.205 and § 872.604.

PART 873—FAMILY OPTIONAL LIFE INSURANCE

12. The authority citation for part 873 is revised to read as follows:

Authority: 5 U.S.C. 8716; § 873.201(b) also issued under sec. 153 of Pub. L. 104-134, 110 Stat. 1321.

13. In § 873.201, the existing paragraph is designated as paragraph (a) and a new paragraph (b) is added to read as follows:

§ 873.201 Eligibility.

* * * * *

(b) An employee of the District of Columbia Financial Responsibility and Management Assistance Authority (the Authority) who makes an election under the Technical Corrections to Financial Responsibility and Management Assistance Act (section 153 of Public Law 104-134, 110 Stat. 1321) to be considered a Federal employee for life insurance and other benefit purposes is subject to this part. If the employee is eligible to make an election under § 873.202, such election must be made within 31 days after the later of either the date employment with the Authority begins or the date the Authority receives his or her election to be considered a Federal employee. Employees of the Authority who are former Federal employees are subject to the provisions of § 873.205 and § 873.604.

PART 890—THE FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM

14. The authority citation for part 890 is revised to read as follows:

Authority: 5 U.S.C. 8913; § 890.102(f) also issued under sec. 153 of Pub. L. 104-134, 110 Stat. 1321; § 890.803 also issued under 50 U.S.C. 403p, 22 U.S.C. 4069c and 4069c-1; subpart L also issued under sec. 599C of Pub. L. 101-513, 104 Stat. 2064, as amended.

15. In § 890.102 a new paragraph (f) is added to read as follows:

§ 890.102 Coverage.

* * * * *

(f) An employee of the District of Columbia Financial Responsibility and Management Assistance Authority (the Authority) who makes an election under the Technical Corrections to Financial Responsibility and Management Assistance Act (section 153 of Pub. L. 104-134, 110 Stat. 1321) to be considered a Federal employee for health benefits and other benefit purposes is subject to this part. If the employee is eligible to make an election to enroll under § 890.301, such election must be made within 60 days after the later of either the date the employment with the Authority begins or the date the Authority receives his or her election to be considered a Federal employee. Employees of the Authority who are former Federal employees are subject to the provisions of § 890.303(a), except that a former Federal employee employed by the Authority before October 26, 1996, and within 3 days following the termination of the Federal employment may make an election to enroll under § 890.301(c). Annuitants who have continued their coverage

under this part as annuitants are not eligible to enroll under this paragraph. An election to enroll under this part is effective under the provisions of § 890.306(a) unless the employee requests the Authority to make the enrollment effective on the first day of the first pay period following the date the employee entered on duty in a pay status with the Authority.

[FR Doc. 96-29309 Filed 11-13-96; 10:05 am]

BILLING CODE 6325-01-M

FEDERAL ELECTION COMMISSION

11 CFR Part 104

[Notice 1996-20]

Electronic Filing of Reports by Political Committees

AGENCY: Federal Election Commission.

ACTION: Interim rules; transmittal of regulations to Congress.

SUMMARY: The Federal Election Commission is implementing a voluntary system of electronic filing for reports of campaign finance activity filed with the agency. The Commission has approved final rules setting out the requirements for this system. In order to ensure compliance with a statutory mandate, the Commission is putting these rules into effect on an interim basis, pending Congressional review at the start of the 105th Congress. Further information is provided in the supplementary information that follows. **EFFECTIVE DATE:** These interim rules are effective January 1, 1997. The Commission will submit these rules for legislative review in the 105th Congress, and will announce a final effective date after the rules have been before Congress for 30 legislative days pursuant to 2 U.S.C. 438(d). A document announcing that the interim rules have been prescribed as final rules will be published in the Federal Register.

FOR FURTHER INFORMATION CONTACT: Ms. Susan E. Propper, Assistant General Counsel, or Paul Sanford, Staff Attorney, 999 E Street, N.W., Washington, D.C. 20463, (202) 219-3690 or (800) 424-9530.

SUPPLEMENTARY INFORMATION: In August, the Commission approved the final text of new regulations implementing a voluntary electronic filing system for reports of campaign finance activity filed with the agency, and published the text of the rules, along with an Explanation and Justification, in the Federal Register. 61 FR 42371 (Aug. 15,