

Benefits

INTRODUCTION

To help attract and retain the best talent America has to offer, the Federal Government provides an array of traditional and contemporary benefits to employees, retirees, and their families. This benefits "package" is one of the reasons applicants make the Federal Government their employer of choice.

TYPES OF BENEFITS

Benefits of Federal employment include:

- Holidays
- Life insurance
- Health insurance
- Flexible spending accounts
- Pensions
- Thrift savings plan
- Workers' Compensation
- Long-term care insurance
- Liability insurance
- Severance pay
- Lump-sum annual leave payments
- Survivor benefits.

Associated Web sites are included at the end of each benefit description where appropriate.



Benefits Web sites:

http://www.opm.gov/Employment_and_Benefits/index.asp

http://www.opm.gov/insure/health/new_employees.asp

Holidays

Full-time Federal employees are entitled to 10 paid holidays each year. These holidays are specified in 5 U.S.C. 6103 and are listed by year on OPM's Web site (see below). (5 U.S.C. 6103; Executive Order 11582; 5 CFR 610.201, 202)



Holidays Web site:

<http://www.opm.gov/fedhol/index.asp>

Benefits (continued)

Life Insurance

The Federal Government established the Federal Employees' Group Life Insurance (FEGLI) Program on August 29, 1954. It is the largest group life insurance program in the world, covering over 4 million Federal employees and retirees, as well as many of their family members.

Most full-time and part-time employees are automatically enrolled in Basic Life Insurance equal to their salary, rounded to the next \$1,000, plus \$2,000. The Government pays one-third of the cost of this group term insurance. Employees do not have to prove insurability – no physical is required. Basic coverage includes double benefits for accidental death and benefits for dismemberment. Employees can also purchase Optional Insurance at their own expense. Optional coverage includes additional insurance on the employee's life as well as coverage for the employee's spouse and eligible children, if any.

Accelerated death benefits are available to terminally ill enrollees so they can receive life insurance proceeds while they are living.

Many large organizations are cutting life insurance benefits to retirees. This is untrue in the Federal Government, which allows life insurance to be continued into retirement. It can also be converted to private coverage upon termination, without proof of insurability. (5 CFR 870)

In addition to offering the life insurance program, agencies can pay up to \$10,000 as a death gratuity to the personal representatives of employees who die from injuries sustained in the line of duty.



Life insurance Web sites:

http://www.opm.gov/insure/health/new_employees.asp#fegli

<http://www.opm.gov/insure/>

<http://www.opm.gov/insure/life/index.asp>

Benefits (continued)

Health Insurance

Federal employees can enroll in health insurance coverage for themselves and their families at reasonable rates. They enjoy one of the widest selections of plans in the country. Well over 200 plans participate in the health insurance program. Employees can choose among:

- Fee-for-Service (FFS) plans with a Preferred Provider Organization (PPO)
- FFS plans (non-PPO)
- Health Maintenance Organization (HMO) plans
- HMO plans offering a Point-of-Service (POS) product.

There is an annual open season during which employees can change their enrollment. Unlike a growing number of private sector health benefits programs, Federal employees can continue their health insurance coverage into retirement with a full Government contribution. Most enrollees pay just about one-fourth of the health benefits premium. (5 CFR 890)



Health insurance Web sites:

http://www.opm.gov/insure/health/new_employees.asp#fehb

<http://www.opm.gov/insure/>

<http://www.opm.gov/insure/health/index.asp>

Flexible Spending Accounts

Many agencies have adopted a Federal Flexible Benefits Plan. Employees of those agencies may participate in the agency's plan. Under the plan, two different types of flexible spending accounts are available, a health care flexible spending account and a dependent care flexible spending account. An open season is held for each to allow eligible employees to enroll in the account that allows use of pre-tax allotments.



Flexible spending accounts Web sites:

http://www.opm.gov/insure/health/new_employees.asp#fsa

<http://www.opm.gov/insure/>

<http://www.opm.gov/insure/pretax/fsa/index.asp>

Benefits (continued)

Pensions

The Federal Employees Retirement System (FERS) is an outstanding three-tiered plan to provide secure retirement, disability, and survivor benefits for employees and their dependents. In addition to Social Security benefits as a base, FERS offers both an annuity that grows with length of service and a tax deferred savings plan. Employees pay less than 1 percent of salary to qualify for the annuity and are fully vested after 5 years of service and, for disability benefits, after just 18 months. (5 CFR 843)



Pensions Web sites:

http://www.opm.gov/insure/health/new_employees.asp#retirement

<http://www.opm.gov/retire/index.asp>

Thrift Savings Plan

The Thrift Savings Plan (TSP) allows employees to save on a tax-deferred basis for retirement. The amount participants may contribute changes annually, and eventually only the Internal Revenue Code dollar limit will apply. Participants, age 50 or over, are allowed to make catch-up contributions if they meet the criteria required. The Government contributes 1 percent of salary to FERS employees who do not contribute and will match up to another 4 percent of savings for FERS employees who do contribute. Because the savings plan is tax deferred, no income tax is due on the employee's contributions, the Government matching funds, or the earnings on either of those amounts until retirement.

Employees can choose to invest in any of six funds or to spread investments across the six funds, all professionally and securely managed by an independent Government agency, the Federal Retirement Thrift Investment Board. The six TSP investment funds are:

- Government Securities Investment (G) Fund
- Fixed Income Index Investment (F) Fund
- Common Stock Index Investment (C) Fund
- Small Capitalization Stock Index Investment (S) Fund
- International Stock Index Investment (I) Fund
- Lifecycle (L) Fund.

Benefits (continued)

Thrift Savings Plan (continued)

Since the inception of FERS in 1987, the performance of this state-of-the-art retirement system has been excellent. (26 U.S.C. 401(a), 501(a), and 7701(j))



Thrift Savings Plan Web site:

<http://www.tsp.gov>

Workers' Compensation

The Federal Employees' Compensation Act provides compensation benefits to civilian employees of the U.S. Government for disability due to personal injury sustained on the job and for employment-related diseases. This program is administered by the Office of Workers' Compensation Programs in the Department of Labor. (5 U.S.C. 8101-8193 and 20 CFR parts 1-25)



Workers' Compensation Web site:

<http://www.dol.gov/esa/regs/compliance/owcp/91-18.htm>

Long-Term Care Insurance

With the Long-Term Care Security Act, long-term care insurance became a reality for Federal employees, members of the military, retirees, and their families. The insurance program provides coverage for long-term care health care needs, such as nursing home care, home health care, assisted living facilities, adult day care, and personal care/homemaker care. It is the only Congressionally authorized long-term care insurance program in existence.



Long-term care insurance Web sites:

http://www.opm.gov/insure/health/new_employees.asp#ltc

<http://www.opm.gov/insure/>

<http://www.opm.gov/insure/ltc/index.asp>

Benefits (continued)

Liability Insurance

Section 642 of Public Law 106-58 requires Federal agencies to reimburse law enforcement officers, supervisors, and managers for up to one-half of the cost of professional liability insurance, protecting them from potential liability and attorney's fees for actions arising out of the conduct of official duties.

Agencies provide information to eligible employees about reimbursement.

Severance Pay

Employees under qualifying appointments with at least 12 months of continuous service are eligible for severance pay upon removal from Federal service by involuntary separation (excluding removal due to unacceptable performance or conduct). (5 U.S.C. 5595; 5 CFR part 550, subpart G)



Severance pay Web sites:

<http://www.opm.gov/rif/general/rifmenu.htm>

<http://www.opm.gov/rif/general/egrifben.htm>

Lump-Sum Annual Leave Payments

An employee will receive a lump-sum payment for any unused annual leave when he or she separates from Federal service or enters on active duty in the armed forces and elects to receive a lump-sum payment. Generally, a lump-sum payment will equal the pay the employee would have received had he or she remained employed until expiration of the period covered by the annual leave. (5 U.S.C. 5551; 5 CFR part 550, subpart L)



Lump-sum annual leave payments Web site:

<http://www.opm.gov/oca/leave/HTML/lumpsum.htm>

Benefits (continued)

Survivor Benefits Survivors of Federal employees, annuitants, and compensationers (those receiving compensation based on an on-the-job injury or employment-related disease) may be entitled to survivor benefits based on the individual's retirement coverage. Survivors may also be eligible for life insurance proceeds and other lump-sum payments, depending on factors related to the deceased individual's status.



Survivor benefits Web site:

http://www.opm.gov/insure/health/new_employees.asp#bene