FAS EMPLOYEE'S GUIDE

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REEMPLOYED OFFICE OF WORKERS' COMPENSATION PROGRAM (OWCP) COMPENSATIONERS

A Guide for Employees

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ABOUT YOUR FEDERAL EMPLOYMENT

Welcome back to Federal employment! The Federal Employees Compensation Act (FECA), administered by the Office of Workers' Compensation Program (OWCP) of the Department of Labor (DOL), provided you with compensation due to an employment-related disease or injury you sustained in the performance of duty. Since you have been found fully or partially recovered from your disease or injury and have accepted a position in the Federal government, there are many questions you may have about your reemployment. This guide will address issues such as how your OWCP time affects your retirement credit, health and life insurance benefits, Thrift Savings Plan (TSP), and leave.

This guide addresses your benefits and retirement only if you were in receipt of compensation and chose <u>not</u> to receive annuity payments from the Office of Personnel Management (OPM). Contact your employing office for details relating to reemployment following receipt of annuity payments.

Retirement Credit upon Reemployment…

Full credit is given for entire periods while in receipt of compensation during leave without pay (LWOP) and periods of separation (as long as you return to a position subject to retirement coverage). The time is creditable for within-grade step increases, career tenure, and completion of the probationary period, leave accrual, retention entitlement, retirement computation, and high-3 average salary.

If you were on LWOP in receipt of compensation, you are not subject to the limitation of 6 months credit in a calendar year. You will receive credit even though you may have been in a LWOP status more than 6 months.

No period of separation, even if in receipt of compensation, is creditable in meeting the one-out-of-two requirement under the Civil Service Retirement System (CSRS). The one-out-of-two requirement is met if you work in a covered position for at least one full year out of the last two years before retirement. This is one of the requirements you must meet before becoming eligible to retire. Note: The one-out-of-two requirement does not apply if you are covered under the Federal Employees Retirement System (FERS).

If you were approved for disability retirement and decided to receive compensation, upon reemployment, you will be subject to the rules governing reemployed annuitants.

Note 1: If you are reemployed at a lower grade level than previously held, and you are receiving a loss of wage earning capacity payment from DOL, only the salary of the actual position is used when computing the high-3 average salary for retirement. Payments received from OWCP are not included in this computation.

Note 2: If you were injured in a noncovered position, i.e., Temporary Appointment NTE 1 year and return to Federal employment, the time while in receipt of compensation benefits is treated as nondeduction service and subject to the deposit rules of the applicable retirement system. Contact your employing office for further information on determining whether the time is creditable.

If you requested and received a refund of your retirement contributions, you may want to redeposit that amount into the retirement system**.** Under CSRS, payment of a redeposit is not required for the service to be used in meeting eligibility requirements to retire. The amount of the redeposit equals the amount of the refund received plus accrued interest. Interest begins on the date you received the refund and is compounded annually. If the refund included a period of service that ended **before** March 1, 1991, and you choose not to make a redeposit, your future CSRS annuity will be actuarially reduced. The actuarial reduction is computed using a formula based on your age at retirement and the amount of the redeposit owed. If the refund included a period of service that ended **on/after** March 1, 1991, and you choose not to make a redeposit, you will not receive any credit in the computation of your future CSRS annuity.

If you were covered by FERS on or after October 28, 2009, and received a refund, you may redeposit any FERS deductions previously refunded.

Contact your employing office to request an estimate of a redeposit, application to make payment, or further information on how payment or nonpayment of a redeposit will affect your future annuity.

Retirement Coverage Determinations…

The time while in receipt of compensation, whether on LWOP or separated from service, is considered a leave of absence, and is not considered an actual break in service in determining retirement coverage. You will retain whatever retirement coverage you had before your injury. If you were covered under CSRS, you will remain under CSRS. If you had a break in service of more than 3 days, you will have an opportunity to elect FERS within 6 months of your reemployment. An election of FERS may be advantageous if you are eligible to retire upon your reemployment but do not meet the CSRS one-out-of-two requirement. By switching to FERS, you can retire immediately (age and service requirements must be met) following the effective date of your FERS election. The FERS age and service requirements are: 1) minimum retirement age (MRA) based on the year you were born with 30 years of service; 2) age 60 with 20 years of service; 3) age 62 with 5 years of service; and 4) MRA with 10 years of service. If there was a break in service between the termination of compensation and reemployment, your retirement coverage may not be the same as you previously had based on the length of the break. If this applies to you, contact your employing office in regards to your current retirement coverage.

Special retirement coverage rules apply if you were approved for a retirement benefit from OPM, but chose compensation over a CSRS or FERS annuity. Upon reemployment, your employing office will determine your retirement coverage based on different rules than previously discussed. Your retirement code would be:

CSRS annuitant	'4' – None
CSRS Offset annuitant	'2' – FICA
FERS annuitant	'K' – FERS

The retirement coverage change occurs because you would be considered a reemployed annuitant for the purposes of OPM rules. If you retired under CSRS or CSRS Offset you may elect to contribute to the retirement system. It is not mandatory. The election is effective prospectively and the retirement code will change to '1' – CSRS or 'C' – CSRS Offset. If you are not found recovered or restored, under the disability provisions, by OPM, the period of separation during which you received compensation (in lieu of a disability annuity) is not creditable unless you are reemployed for 5 continuous full-time years (or part-time equivalent) and elect a redetermined annuity. You must also be eligible for an immediate retirement to be entitled to a redetermined annuity. Time spent in receipt of compensation prior to reemployment has no effect on a supplemental annuity.

Federal Employees Health Benefits (FEHB) Program…

If the FEHB enrollment was transferred to DOL and you return to work on a full-time basis, the FEHB enrollment will be transferred back to the employing office. A return from LWOP status is a Qualifying Life Event (QLE) for purposes of premium conversion (PC) which means you have 60 days to change participation in PC. Waiving PC will allow you to cancel or change to self only at anytime. If you were not previously enrolled in FEHB, you may enroll within 60 days as long as the position conveys FEHB coverage.

If you are reemployed on a part-time basis and are receiving loss of wage earning capacity payments from OWCP, your FEHB enrollment will remain at DOL and premiums will continue to be withheld from your compensation.

Federal Employees Dental and Vision Program (FEDVIP)

If you were enrolled in FEDVIP, your coverage will automatically continue. You should contact Benefeds at www.benefeds.com to inform them of your status. If you were not enrolled in FEDVIP, you may be eligible to enroll during the annual Federal Benefits Open Season.

Federal Employees' Group Life Insurance (FEGLI) Program…

Upon return to a pay status, your coverage will be transferred from OPM to your employing office. The value and cost of Basic life insurance and Option B will be based on the actual rate of "basic pay" of your current position. This applies even if you are reemployed at a lower grade level and are receiving loss of wage earning capacity payments from OWCP. Compensation benefits are not included in calculating FEGLI benefits.

If you were in a LWOP status and did not previously have FEGLI, you will not be allowed to elect it upon returning to duty. You may apply and request approval with the Office of FEGLI after obtaining a physical and completing the SF 2822, Request for Insurance.

If you are being reemployed following a period of separation, you may enroll or increase coverage if the break in service was at least 180 days. The position must convey coverage and you have 60 days to make this election. If your break in service was less than 180 days, your coverage previously held will be reinstated.

Thrift Savings Plan (TSP)…

As you know, TSP contributions could not be made during the period you were receiving compensation. If you were on LWOP during receipt of compensation, your TSP contributions will resume upon return to a pay status.

If you chose compensation in lieu of annuity payments from OPM, you are eligible to participate in TSP immediately upon reemployment. If the break in service was 30 days or less, the prior contribution amount will continue. The employee can elect or change the contribution amount at any time. Your agency will automatically contribute to your TSP an amount equal to one percent of your basic pay each pay period. There is no waiting period. You will receive these contributions whether or not you contribute your own money to your TSP account.

If you elected the TSP withdrawal option of monthly installments, these payments will stop upon your reemployment.

Long Term Care (LTC)…

If you were already enrolled in LTC and premium payments were withheld from your salary, you should have contacted LTC Partners during your LWOP status to arrange for payment of the premiums. Upon return to a pay status, you should notify LTC Partners.

If the LTC coverage terminated because you did not pay premiums or requested cancellation, LTC Partners may reinstate the coverage within 12 months from the termination date upon your request. You will be required to reapply based on full underwriting, and LTC Partners will determine whether you are still insurable.
If insurable, coverage will be reinstated retroactively to the termination date and back premiums must be paid for that period. The premium will be the same as it was prior to termination.

If you had a break in service of 180 days or more you can apply for the abbreviated underwriting upon reemployment.

Flexible Spending Accounts (FSA)…

Prior to LWOP, you had the option of prepaying the FSA allotments. If you prepaid the allotments, you continued to be able to use the accounts. Health care expenses (not related to the injury) and dependent care expenses (meeting IRS guidelines) incurred during the period of LWOP will continue to be reimbursed.

If the Health Care FSA was not prepaid prior to your LWOP status, the account is frozen. You are not eligible for reimbursement of any health care expenses incurred during the period of LWOP until the plan year ends or until you return to a pay status and begin making allotments, whichever occurs first. Claims may be submitted for eligible health care expenses (not related to the injury) incurred prior to the period of LWOP. If you have a Dependent Care FSA and had dependent care expenses that meet the IRS guidelines for eligible expenses (expenses incurred to allow the employee or employee's spouse to work or attend school) incurred during your absences, you can be reimbursed up to the account balance.

Upon return to work, during the same plan year, if the accounts were not prepaid, allotments will be recalculated based on the number of pay dates remaining in the plan year so that the account is paid in full on the last pay date of the year.

You are not permitted to change your FSA election upon return to work following a period of LWOP. LWOP is not a Qualifying Status Change (QSC). A QSC is an IRS term used to determine if someone who participates in a FSA can change his or her election outside of open season.

The QSCs are very similar and usually identical to the QLEs that are used for PC. QSCs are such events as:

- Change in legal marital status (marriage, divorce, legal separation, annulment)
- Change in the number of dependents (birth or adoption of a child, youngest dependent aging up, etc.)
- Change in employment status that affects eligibility for benefits.

If you return to work within 60 days after separation and before the end of the same tax calendar year, you will have your previous election reinstated. You will not be permitted to change the amount of the allotment unless you have a QSC. You will be required to make up any missed allotments. If you return in another plan year, you will be given another opportunity to make a new election.

If you return outside of the 60 days, you will be provided a new election opportunity to enroll, but no later than October 1 of any plan year. The position must be one that conveys coverage.

Leave…

You did not accrue leave while you were in receipt of compensation whether in a LWOP status or separated. However, upon reemployment, the time spent in receipt of compensation will count for leave accrual purposes. This is known as your service computation date for leave (SCD-Leave). Time spent in receipt of compensation is not creditable towards your SCD-Leave if your separation was based on retirement. Any sick leave that you had on the rolls before separation will be recredited; unless this sick leave was used to calculate a retirement benefit.

Resources…

All withholdings from your salary are shown on your leave and earnings statement. You should continually review your statement for deductions, leave balances, special announcements, etc. If you believe there is an error in the amount of withholdings, it is your responsibility to contact either your employing office or the Defense Finance and Accounting Service (DFAS) office.

There are many resources available to learn more about your Federal employment. Your employing office should have pamphlets on the various programs. In addition, the following web sites provide the same pamphlets and other information: http://www.opm.gov , http://www.tsp.gov , and http://www.ssa.gov .