

must make a new election, for the amount you can contribute changes annually. You may elect to contribute any dollar amount or percentage (1 to 100) of your basic pay. However, your annual dollar total cannot exceed the Internal Revenue Code limit, which is \$15,500 for 2007.

Further information on the FERS Program...

- **Retirement Programs website**  
(<http://www.opm.gov/retire/index.asp>)
- The pamphlet **Federal Employees Retirement System (An Overview of Your Benefits)**  
([http://www.opm.gov/fers\\_election/ri\\_90/f\\_toc.htm](http://www.opm.gov/fers_election/ri_90/f_toc.htm)).
- **Thrift Savings Plan website**  
(<http://www.tsp.gov/>).

For all benefits information/questions, please contact DISA's benefits counselors:

**DFAS SHARED SERVICES CENTER**

at

**317.212.0454.**

You may also visit their website at:

<https://dfas4dod.dfas.mil/ps0/Benefits/index.htm>

# **DISA**

## **Guide to Federal Benefits Programs for Federal Employees**



**Manpower, Personnel, and Security Directorate**  
**Civilian Personnel Division**

# Introduction

The purpose of this pamphlet is to provide you with general information on benefits that are available to you as a Federal employee. For detailed answers to your questions, please contact DISA's benefits counselors at (317) 212.0454. As a new employee there are some decisions that you will need to make, **most within 31 or 60 days from your appointment date**. See the information on these decisions in the boxes at the beginning of the benefit descriptions below.

- **Leave**
- **Life Insurance**
- **Health Insurance**
- **Federal Employees Dental and Vision Insurance Program (FEDVIP)**
- **Flexible Spending Accounts**
- **Long Term Care Insurance**
- **Retirement Program**

You also need to consider Designations of Beneficiary

## Leave

Most Federal employees earn both annual and sick leave.

**Annual Leave** is used for vacations, rest and relaxation, and personal business or emergencies. New full-time employees earn 4 hours of annual leave each 2 week pay period. When you have 3 years of service, this increases to 6 hours every 2 weeks, and at 15 years it increases to 8 hours every 2 - weeks. Prior military service might count towards the time required to go into the next higher annual leave category. Most employees can carry over no more than 30 days of annual leave into the next leave year. See the [annual leave fact sheet](http://www.opm.gov/oca/leave/html/ANNUAL.asp) (<http://www.opm.gov/oca/leave/html/ANNUAL.asp>).

**Sick Leave** may be used for

- **personal medical needs**

- care of a family member
- care of a family member with a serious health condition
- adoption related purposes

Full-time employees earn 4 hours of sick leave every 2 weeks. You can accrue this leave without limit. See the [sick leave fact sheet](http://www.opm.gov/oca/leave/html/SICKLV.asp) (<http://www.opm.gov/oca/leave/html/SICKLV.asp>)



Further information on Federal leave programs:

- **Leave Programs website** (<http://www.opm.gov/oca/leave/index.asp>)
- **Fact sheets on**

**a number of different types of leave** (<http://www.opm.gov/oca/leave/html/factindxnew.HTM>)

- **OPM Form 71, Request for Leave or Approved Absence** ([http://www.opm.gov/forms/pdf\\_fill/opm71.pdf](http://www.opm.gov/forms/pdf_fill/opm71.pdf)).

## Life Insurance

If you're in a FEGLI-eligible position, **you're automatically enrolled in Basic life insurance**, which is effective on the first day you enter in a pay and duty status UNLESS you waive this coverage before the end of your first pay period. You do NOT get any Optional insurance automatically – you must take action to elect it.

You have **31 days from your entry date** to sign up for any Optional life insurance. If you do not make an election, you are considered to have waived optional insurance.

No proof of insurability is required for the Basic

- **Unpaid Salary**
- **Thrift Savings Plan funds**
- **Retirement Lump Sum**

Standard rules determine who is eligible to receive these payments. If you are satisfied with the order of payment for that program, you do not have to take any action. But if you want these funds to go to someone else, you need to file a Designation of Beneficiary for that program. Further information on designations of beneficiary.

- **Designations of Beneficiary web pages and forms**

(<http://www.opm.gov/insure/designations/index.asp>) All links contained in this pamphlet may be accessed at [http://www.opm.gov/insure/health/new\\_employees.asp](http://www.opm.gov/insure/health/new_employees.asp)

## Retirement Program

If your appointment confers eligibility for the Federal Employees Retirement System, DISA will automatically enroll you in this program. This program is the equivalent to the 401K program offered in private industry. Almost all new employees are automatically covered by the Federal Employees Retirement System (FERS). FERS is a three-tiered retirement plan. The three tiers are:

- **Social Security Benefits**
- **Basic Benefit Plan**
- **Thrift Savings Plan**

You pay full Social Security taxes and a small contribution to the Basic Benefit Plan. In addition, your agency will set up a Thrift Savings Plan account for you and will automatically contribute an amount equal to 1% of your basic pay each pay period. These Agency Automatic (1%) Contributions are not taken out of your salary, and your agency makes these contributions whether or not you contribute your own money to the TSP.

You are also able to make tax-deferred contributions to the TSP and a portion is matched by the Government. Your agency will invest \$1.00 for every \$1.00 you invest for the first 3 percent of your basic salary, and 50 cents for each \$1.00 you invest for the next 2 percent of your basic salary. The agency contributions are not taken out of your salary; they are an extra benefit to you.

You can start, change, stop, and resume TSP contributions at any time. There is no waiting period. However, there is a **mandatory waiting period** for Agency Automatic (1%) Contributions and Agency Matching Contributions. Please see the chart at [www.tsp.gov/features/chapter02.htm](http://www.tsp.gov/features/chapter02.htm) under "What are the basic rules for contributing to the TSP?" to determine when you will be eligible.

*The best way to assure that your retirement income meets your needs is to start investing in the Thrift Savings Plan at the beginning of your Federal service, and to continue to do so throughout your career.*

It is particularly important for higher-paid employees to save enough through the TSP since Social Security replaces a smaller percentage of the income of higher-paid workers than it does for lower-paid workers.

**The amount you can contribute changes annually. You may elect to contribute any dollar amount or percentage (1 to 100) of your basic pay. However, your annual dollar total cannot exceed the Internal Revenue Code limit, which is \$15,500 for 2007.**



must make a new election for the upcoming Plan Year.

Two FSAs are being offered to eligible employees:

- **A Health Care FSA (HCFSA)**, through which you may use pre-tax allotments to pay for certain health care expenses that are not reimbursed by FEHB or any other source, and not claimed on your income tax return. The maximum amount you may set aside in any tax year is \$4,000, and the minimum is \$250.

- **A Dependent Care FSA (DCFSA)**, through which you may use pre-tax allotments to pay for eligible dependent care expenses. The maximum amount you may set aside in any tax year is \$5,000 (\$2,500 if you are married and filing a separate income tax return), and the minimum amount is \$250. Further information on the **FSAFEDS Program**:

- **FSAFEDS Website**  
(<https://www.fsafeds.com/fsafeds/index.asp>)

## Long Term Care Insurance

You (and your spouse, if you're married) have **60 days from your entrance date to apply** for Long Term Care Insurance using the abbreviated underwriting application with only a few health-related questions.

If you apply **AFTER** the 60 day period, you will have to use the long underwriting application with numerous health-related questions, and possibly a review of medical records and/or an interview with a nurse.

The **Federal Long Term Care Insurance Program (FLTCIP)** provides long term care insurance for Federal employees and their par-

ents, parents-in-law, stepparents, spouses, and adult children.

If you're newly employed in a position that conveys eligibility for FEHB coverage, you can apply for long term care insurance, even



if you don't enroll in the FEHB Program. Check with **DFAS Shared Services Center at 317.212.0454** if you are unsure about your eligibility. Long term care insurance is **NOT** just for older

people. Forty percent of the persons receiving long term care are working age adults between the ages of 18 and 64, with many of these people receiving it as they recover from an accident or crippling disease. The cost of the insurance is based on your age when you apply - the older you are when you apply, the higher the premiums. Certain medical conditions, or combination of conditions, will prevent some people from being approved for coverage. **Not everyone who applies will be approved for the insurance coverage.**

Further information on the FLTCIP Program:

- You can read more about the FLTCIP, and apply for it, at [www.ltcfeds.com](http://www.ltcfeds.com).
- You can find out how much the insurance will cost by using the **FLTCIP Premium Calculator** ([https://www.ltcfeds.com/ltcWeb/do/assessing\\_your\\_needs/ratecalc](https://www.ltcfeds.com/ltcWeb/do/assessing_your_needs/ratecalc)).
- You can read our Frequently Asked Questions about the FLTCIP at <http://www.ltcfeds.com/help/faq/faq.html>.

insurance you get upon being hired, or any of the optional insurance you sign-up for during the first 31 days. Proof of insurability might be required for insurance changes after that time.

You are **excluded from life insurance coverage by regulation when**:

- You are in an appointment limited to 1 year or less. **Exceptions:** you are eligible for coverage if:
  - your full-time or part-time temporary appointment has a regular tour of duty **and** follows a position in which you were insured, with a break in service of **no more than 3 days** (unless during that prior position you had already completed 12 months in nonpay status);
  - or you are a temporary employee who receives a provisional appointment as defined in 5 CFR 316.403.

- You are employed for an uncertain or purely temporary period, employed for brief periods at intervals, or are expected to work less than 6 months in each year. **Exception:** you are eligible for coverage if you are employed under an Office of Personnel Management approved career-related work-study program under



Schedule B lasting at least 1 year and in pay status for at least one-third of the total period of time from the date of your first appointment to the completion of the work-study program.

- Intermittent employees (a non-full-time employee without a regularly scheduled tour of duty). **Exception:** you are eligible for coverage if your appointment follows, with a break in service of **no more than 3 days**, a position in

which you were insured and to which you are expected to return (unless during that prior position you had already completed 12 months in nonpay status).

- Your pay, on an annual basis, is \$12 a year or less.
- You are a beneficiary or patient employee in a Government hospital or home.
- You are paid on a contract or fee basis. **Exception:** you are eligible for coverage when you are a United States citizen, appointed by a contract between you and the Federal employing authority which requires your personal service, and paid on the basis of units of time.
- You are paid on a piecework basis. **Exception:** you are eligible for coverage when your work schedule provides for full-time or part-time service with a regularly scheduled tour of duty.

The **Federal Employees' Group Life Insurance Program (FEGLI)** offers:

- **Basic Life Insurance** — equal to your annual basic pay, rounded to the next higher \$1,000, plus \$2,000. Plus three types of optional insurance:
- **Option A, Standard** — in the amount of \$10,000.
- **Option B, Additional** — in an amount from one to five times your annual basic pay (after rounding up to the next \$1,000).
- **Option C, Family** — provides coverage for your spouse and eligible dependent children.

Further information on the FEGLI Program:

- **Federal Employees' Group Life Insurance Program website**  
(<http://www.opm.gov/insure/life/index.asp>).

- The **FEGLI Calculator** (<http://www.opm.gov/calculator/worksheet.asp>) allows you to determine the cost and benefits of various levels of optional insurance coverage.
- **Standard Form 2817** (<http://www.opm.gov/insure/life/publist/sf2817.htm>) is used to sign-up for or cancel FEGLI coverage.

## Health Insurance

You have **60 days from your entry on duty** date to sign-up for a health insurance plan. If you don't make an election, you are considered to have declined coverage and you must wait until the next open season to enroll.

**VERY IMPORTANT:** Enrollment is not retroactive, and it cannot be made effective the day you enter on duty, as you must have been in a pay status during some part of the pay period which precedes the one in which your enrollment becomes effective. Once this requirement has been met, your enrollment will become effective on the first day of the first

pay period that begins after your employing office receives your enrollment request. Thus, the earliest that your health insurance can possibly become effective is the beginning

of the pay period that begins after the pay period in which you are hired. You cannot be reimbursed for any medical expenses incurred prior to the effective date. You need to consider this in cancelling any other health insurance coverage you may already have, and for scheduling of doctor visits or tests.

The **Federal Employees Health Benefits Program (FEHB)** is one of the most valuable benefits of Federal employment, but coverage is *not* automatic — you must select one of the more than 100 available health plans in order to be covered. Although you have 60 days to make your election, it is to your advantage to make this election soon in order to be covered in case of accident or illness. There is no retroactive coverage of your expenses prior to the effective date of your coverage. However, the policy will begin coverage on the effective date, and will cover expenses occurred on or after that date, even for conditions which occurred before that date. Further information on the **FEHB Program**.

- **Federal Employee Health Benefits website** (<http://www.opm.gov/insure/index.asp>)
- For assistance in choosing a health plan, see our **Plan Selection pages** (<http://www.opm.gov/insure/07/index.asp>).
- Detailed guidance for new employees is found in the **Eligibility and Election** (<http://www.opm.gov/insure/handbook/fehb06.asp>) and the **Enrollment chapters of the FEHB Handbook** (<http://www.opm.gov/insure/handbook/fehb10.asp>).

**Premium Conversion** is a “pre-tax” arrangement under which the part of your salary that goes for health insurance premiums will be non-taxable. This means that you save on Federal income tax and FICA taxes (Social Security and Medicare taxes). In most cases, you'll also save on State income tax and local income tax. The payroll office will sign you up for Premium Conversion **automatically**. You don't need to fill out a form. You do have a choice, though, to waive premium conversion

despite the savings.

- **Premium Conversion Fact Sheet** ([http://www.opm.gov/insure/health/pretaxfehb/pc\\_facts.asp](http://www.opm.gov/insure/health/pretaxfehb/pc_facts.asp))
- **Premium Conversion Frequently Asked Questions** (<http://www.opm.gov/insure/health/pretaxfehb/qanda/index.asp>)

## Federal Employees Dental and Vision Insurance Program (FEDVIP)

(<http://www.opm.gov/insure/DentalVision/index.asp>)

The **Federal Employees Dental and Vision Insurance Program (FEDVIP)** offers comprehensive dental and vision benefits and is available to eligible employees, retirees, and their eligible family members on an enrollee-pay-all basis. This Program allows dental and vision insurance to be purchased on a group basis, which means competitive premiums and no pre-existing condition limitations. Premiums for enrolled employees will be withheld from salary on a pre-tax basis.

**FEDVIP is not part of the FEHB program**, and it is different from any supplementary dental and vision product your FEHB plan may offer. However, employees must be eligible for the FEHB Program in order to be eligible to enroll in FEDVIP. **It does not matter if you are actually enrolled in FEHB - eligibility is the key.** Annuitants are eligible to enroll in FEDVIP no matter what their FEHB status is. New employees have **60 days from entry on duty** to enroll. Other eligible individuals will only be able to enroll during annual open seasons, or after a qualifying life event that

permits enrollment outside of open season. New employees may enroll through the **BENEFEDS Portal website** ([www.BENEFEDS.com](http://www.BENEFEDS.com)). Other eligible employees may only enroll through this site during open season.

You may also enroll by phone at 1-877-888-FEDS (3337), TTY 1-877-889-5680. For questions regarding the **Federal Employees Dental and Vision Insurance Program**, please contact the customer service representatives at 1(877)888-3337.

## Flexible Spending Accounts

You have **60 days from your entry on duty to sign-up** for Flexible Spending Account(s), **or until October 1, whichever comes first.** Applications for the current calendar year are not accepted from October 1 through December 31. If you wish to enroll after October 1, you will need to do so during open season for the following year.

- **The Federal Flexible Spending Accounts Program (FSAFeds)** allows you to pay for certain health and dependent care expenses with pre-tax dollars. You may choose to make a voluntary allotment from your salary to your FSAFEDS account(s). You



will not pay employment or income taxes on your allotments and DISA also avoids paying employment taxes. FSAs are not carried over from one Plan Year to the next. Therefore, each Fall during the annual open season, you