BENEFITS

AND

ENTITLEMENT

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EMPLOYEE BENEFITS AFFECTED BY OWCP

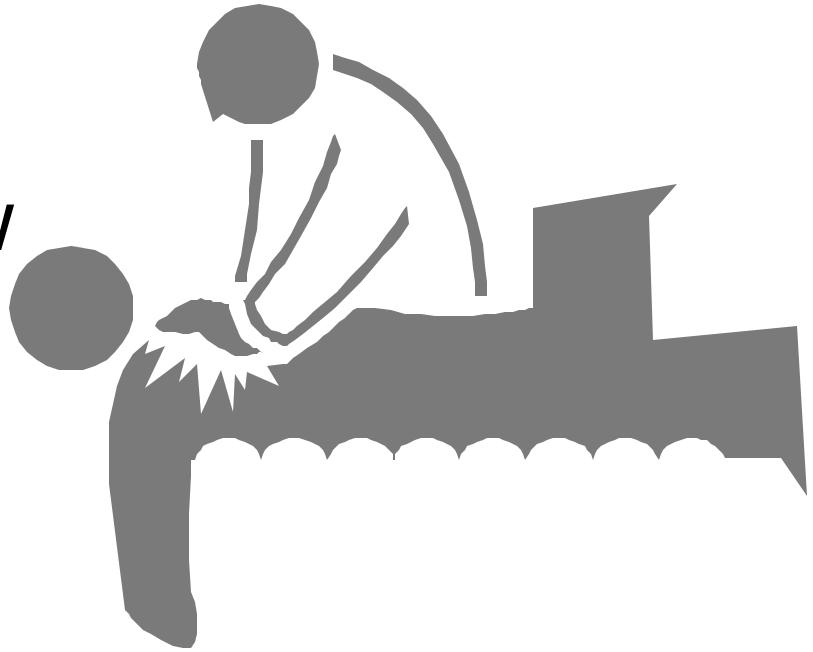
- HEALTH INSURANCE
- LIFE INSURANCE
- TSP

ENTITLEMENTS AFFECTED BY OWCP

- LEAVE
- WGI
- RETIREMENT ELIGIBILITY

Health Insurance (FEHB)

- FEHB coverage continues during LWOP
- Agency must show on CA-7 the enrollment code
- OWCP withholds the premiums unless compensation is less than 29 days



Health Insurance (FEHB)

- Withholdings and contributions begin when benefits begin or last of pay
- OWCP normally requests transfer if compensation is payable for 6 months or longer
- Enrollment must be transferred to OWCP if compensation will continue beyond 365 days of continuous LWOP

Health Insurance (FEHB)

- If the employee returns to duty, OWCP will transfer the enrollment back to the employing agency

- Employing agency must complete an SF-2810 to transfer the enrollment in

Things to Know About FEHB and OWCP

- FEHB will continue:
  - For up to 365 days in non-pay status **unless** separated from agency.
  - When enrollment is transferred to OWCP, OWCP must determine if employee meets 5 year requirement and is unable to return to duty.
  - If employee returns to duty part-time, enrollment stays with OWCP for as long as compensation is payable.

LIFE INSURANCE (FEGLI)

- FEGLI coverage continues during LWOP
- OWCP withholds for basic and optional insurance
- Agency notifies OWCP on the CA-7 of type and amount of insurance
- If employee returns to duty, agency informs OWCP of the pay period

Life Insurance (FEGLI)

- Optional insurance coverage continues for up to 12 months in LWOP.
  - Premiums withheld from compensation unless receiving compensation for less than 29 days.
- Coverage terminates due to 12 months LWOP or separation.
  - OWCP determines if unable to return to duty,
  - OPM determines if 5 year rule is met, and
  - He/she does not convert to a private policy.

Life Insurance (FEGLI)

- Upon termination of coverage, give employee an SF-2819, Notice of Conversion Privilege.
- If employee wants to continue coverage, agency personnel will complete SF-2821, Agency Certification of Insurance Status.
  - Designation of Beneficiary & all previous coverage elections, along with completed Continuation of Life Insurance Coverage (SF-2818) are sent to OPM.

FEGLI (Returns To Work)

- When an employee returns to duty, the agency withholds FEGLI premiums
- If a reemployeed annuitant dies, FEGLI is payable based on the higher amount of coverage, as an employee or as an annuitant
- If employee dies but not as reemployed annuitant, FEGLI is based on pay at retirement

FEGLI (continued)

- Value of insurance is certified on a SF-2821 at separation from service.
- Cost of basic and optional is same as for everyone up to age 65
- Cost after 65 depends on post retirement election election
  - 75%, 50%, or no reduction election in basic insurance amount or Option B

Termination of FEGLI

- Insurance terminates when compensation stops and the employee is unable to return to duty
- Insurance terminates when employee is able to return to duty but does not
- Insurance will not terminate if the employee is eligible to elect coverage as an annuitant

Assignment of FEGLI

- This gives ownership and control of Basic and Options A & B to someone else. This is an irrevocable decision and continues if employee becomes an annuitant.

Living Benefits

- This is when an employee or compensationer is diagnosed with a terminal illness with documented medical prognosis of life expectancy of 9 months or less. Basic insurance can be paid in $1000 increments up to face value of basic insurance amount.

THRIFT SAVINGS PLAN

- Not eligible to contribute to TSP while on LWOP
- TSP contributions are based on the basic pay the employee earns
- An employee receiving OWCP benefits is not receiving basic pay.

TSP and Non-Pay Status

- Employees in non-pay status may terminate their TSP contributions at any time
- The waiting period that newly hired and rehired employees serve to receive matching funds are affected by periods of non-pay status

TSP and Non-Pay Status

- If on OWCP rolls, cannot:
  - Contribute to TSP account.
  - Makeup missed TSP contributions.
- OWCP recipient can:
  - Make TSP inter-fund transfer elections.
  - Make In-Service Withdrawals.

TSP Loan and Non-Pay

- No earned income - no TSP loan.
- No earned income no loan payments
- TSP must be notified when employee is placed in a non-pay status.
- If returned to pay status within 90 days, loan payment will be re-amortized
- If not, the loan must be paid in full, or a taxable distribution will be declared.

LEAVE ENTITLEMENT
Continuation of Pay (COP)

- If CA-1 is timely filed, employee may:

  Continues regular pay w/out any charge to sick or annual leave.

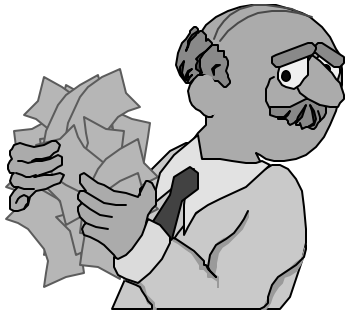
- Maximum 45 days, must file within 30 days after injury

LEAVE ENTITLEMENT

- If CA-1 is not timely filed, employee may elect sick, annual leave, or leave without pay.

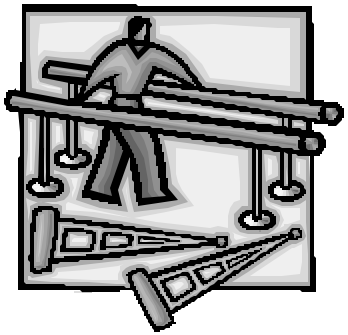
- All CA-2 claims must use sick, annual, or leave without pay.

Leave Buy-Back



- Must initiate Leave Buy-Back w/in one year of the date the leave is used, or one year from OWCP approval of claim
- Fill out CA-7 for any leave used
- Buy only sick or annual leave

Leave Buy-Back



- Documentation required
- All donated leave must be restored to leave bank
- Benefits paid at rate 66 2/3% or 75%, if dependents
- Employee agrees to pay balance

LWOP

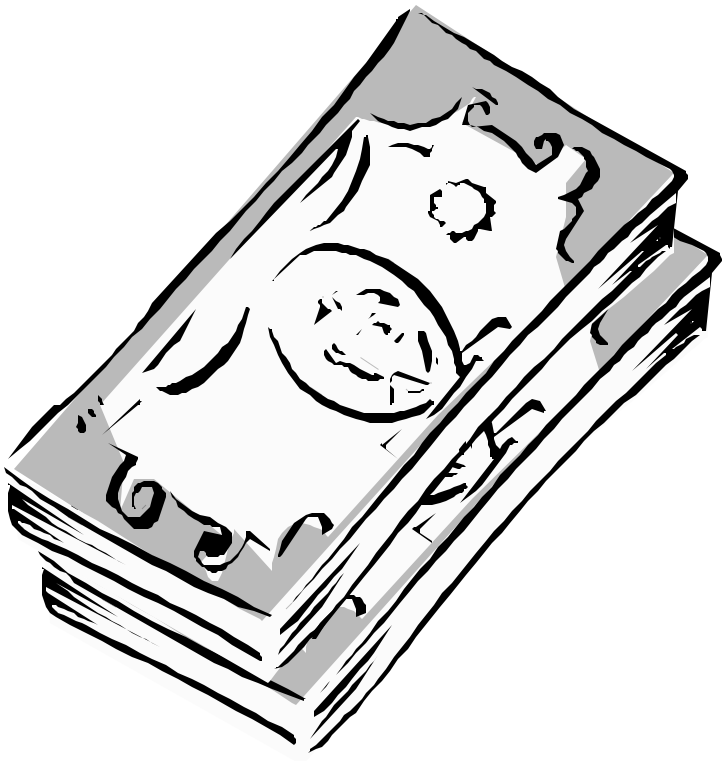
- Leave accrual adjusted for every 80 hours of LWOP.
- No effect on WGI waiting period
- Full credit for retirement purposes.
- If processed in same year as injury,

  W-2 will reflect non taxable income for that year.
- SCD - periods of LWOP are credited to a maximum of six months per calendar year – OWCP – Full credit

LEAVE ACCRUAL

- Periods of LWOP due to a compensable injury are fully creditable for leave accrual.

WITHIN-GRADE INCREASES



- A period of LWOP is creditable when the employee is receiving injury compensation
- The period during which a separated employee is in receipt of injury compensation is creditable for successive WGI's when the employee is reemployed with the Federal Government
- 5 CFR 531.406 (c)

RETIREMENT ELIGIBILITY

- Employee recovers w/in one year.
- Employee recovers to partial duty w/in one year.
- Employee recovers after one year.
- Employee partially recovers after one year.

Employee Recovers w/in 1 year

- Employee is returned to full duty in a position of equal stature.
- Physical statement should state employee is fully recovered.
- Prepare letter to employee to return to duty - give date/time.

Employee partially recovers within one year

- If employee declines light duty, and medical advice says they are capable of doing duties:
  - Fitness for duty
  - Revisit job and make accommodations
  - Advise OWCP of outcome

Employee partially recovers within one year (continued)

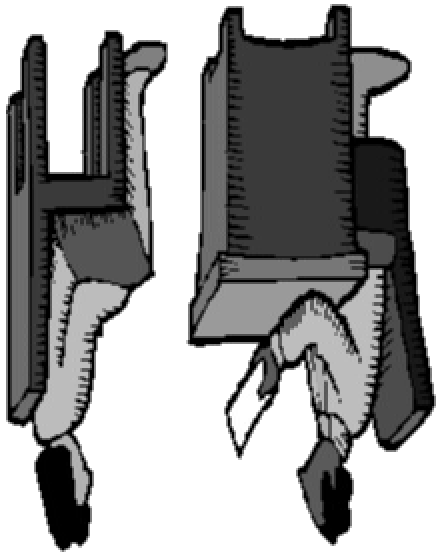
- Write doctor to get description of employees limitations or accommodations.
- If can make reasonable accommodations of light duty assignments - offer light duty in writing.

Employee Recovers After One Year

- Agency has no legal obligation to give employee job back.
- Agency still responsible for chargeback compensation to employee.
- Contact retirement counselor

Employee Partially Recovers After One Year

- Agency has no legal obligation to accommodate employee.
- Agency still responsible for chargeback compensation to employee
- Contact retirement counselor



Electing Between OWCP and Annuity

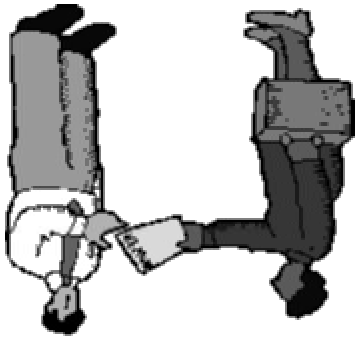
- Must apply for retirement benefits to preserve CSRS/FERS rights.
  - Survivor Benefits
  - Health Insurance
  - Life Insurance
- Must apply w/in 1 yr of separation

Disadvantage of Applying for CSRS/FERS

- Applying for annuity **=** you are an annuitant.
- If reemployed = you are reemployed annuitant.

Disadvantage of Being a Reemployed Annuitant

- No recomputation for annuity if subsequently rehired.
- May not work long enough for supplemental annuity.



Re-Employed Annuitant

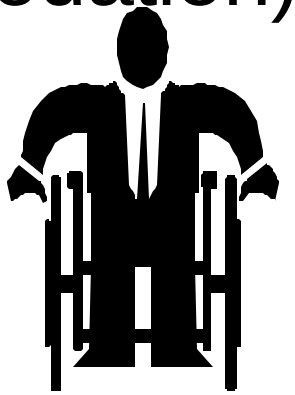
- Time on comp rolls does **not** count unless they work an additional 5 years **and** elect a re-determined annuity.
- Can earn a supplemental or re-determined annuity only if retirement deductions are withheld from earnings.

OWCP Recipient on Permanent Rolls

- Apply for a refund of CSRS/FERS
  - Forfeit future benefits
  - CSRS, reemployed to make redeposit
  - FERS, forfeit FOREVER.

Affects of CSRS/FERS Refund

- Medical condition may improve or treatment for condition may become available.
- Rehabilitation
- Availability of work (accommodation)

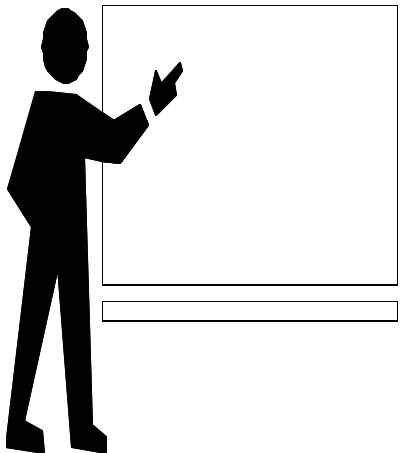


Election of an Annuity

- Time spent on OWCP rolls does not count towards annuity.
- High-3 on date of final separation.
- All COLA’s are included in annuity.

Electing OWCP in Lieu of Disability

- Not eligible for alternative annuity.
- If elect and receive annuity, will have to pay back if OWCP accepts your claim for compensation.



Computing Your Annuity Based on Loss of Wage Earning Capacity

- Use Scheduled Rate of Pay at time of LWEC employment.
- May be based on part-time.
- Use part-time calculation.

QUESTIONS