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**PRIVACY, GOVERNMENTAL  
LIAISON AND DISCLOSURE**

**DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, DC 20224**

June 5, 2017

In Re: Employee Personnel Resource Guide and the IRS Leadership Catalog

This is our final response to your Freedom of Information Act (FOIA) request dated February 18, 2017 that we received on February 27, 2017.

We located 192 pages in response to your request for the Employee Personnel Resource Guide. We are releasing the 192 pages in full.

We searched our records and found the IRS Leadership Catalog is currently obsolete; therefore we found no documents specifically responsive to your request.

We are providing your document in electronic format. The enclosed CD contains your documents and is encrypted. The password to open the files is being mailed separately.

You may contact me, the FOIA Public Liaison, Fred O Crismon, to discuss your request at:

Internal Revenue Service  
801 Broadway, MDP 44, Room 464  
Nashville, TN 37203  
(615) 250-5866

The FOIA Public Liaison responds to FOIA and Privacy Act requests for copies of documents maintained by the IRS. There is no provision in either Act to resolve tax, collection, or processing issues and our staff is not trained to answer questions regarding those issues. If you need assistance with tax related issues, you may call the IRS toll free number at 1-800-829-1040.

If you are unable to resolve your FOIA dispute through the FOIA Public Liaison, the Office of Government Information Services (OGIS), the Federal FOIA Ombudsman's Office, offers mediation services to help resolve disputes between FOIA requesters and Federal agencies. The contact information for OGIS is:

Office of Government Information Services  
National Archives and Records Administration  
8601 Adelphi Road--OGIS  
College Park, MD 20740-6001  
202-741-5770  
877-684-6448  
ogis@nara.gov  
ogis.archives.gov

You have the right to file an administrative appeal within 90 days of the date of this letter. By filing an appeal, you preserve your rights under FOIA and give the agency a chance to review and reconsider your request and the agency's decision. I've enclosed Notice 393, *Information on an IRS Determination to Withhold Records Exempt From the Freedom of Information Act - 5 U.S.C. 552*, to explain your appeal rights.

If you have any questions please call Tax Law Specialist Reinita L House ID # 1000201731, at 615-250-5413 or write to: Internal Revenue Service, Disclosure Scanning Operation – Stop 211, PO Box 621506, Atlanta, GA 30362. Please refer to case number F17058-0049.

Sincerely,



Frederick O Crismon  
Disclosure Manager  
Disclosure Office 8

Enclosures (2):  
Responsive document on CD  
Notice 393

Employee  
Personnel  
Resource  
Guide



## IMPORTANT TELEPHONE NUMBERS

Employee Assistance (EAP) and Work-Life Programs	From anywhere toll-free (800) 977-7631 Employee Connection, menu 2 TTY (800) 697-0353 Traumatic incident services (managers only) (800) 977-7631 IRS Law Enforcement Personnel Only 1-888-270-8958
Employee Connection (PIN required for personal information)	From work FTS (700) 372-1603 TTY (513) 263-4600 From home toll-free (800) 829-6007 TTY (800) 382-8169
Employee Express (PIN required)	From work FTS (478) 757-3085 Employee Connection, menu 2 TTY (478) 757-3117 Help desk (to request PIN) FTS (478) 757-3030 From home toll-free (800) 827-6290 TTY (888) 880-0412
Employee Resource Center	From anywhere toll-free (866) 743-5748 TTY (866) 924-3578 FAX (901) 546-4597
ThriftLine (PIN required)	From work FTS (504) 255-8777 Employee Connection, menu 2 TTY (504) 255-5113 TSP Service Office (to speak with a TSP representative)(504) 255-6000
Work Number for Everyone (use Employee Connection PIN)	From anywhere (800) 367-2884
Workers' Compensation Center	From work FTS (804) 771-2900 TTY (804) 771-2357 From home toll-free (800) 234-8323

## IMPORTANT INTERNET/INTRANET ADDRESSES

Employee Assistance Program	<a href="http://www.guidanceresources.com">www.guidanceresources.com</a>
Employee Express	<a href="http://www.employeeexpress.gov">www.employeeexpress.gov</a>
Employee Personal Page (National Finance Center)	<a href="http://www.nfc.usda.gov">www.nfc.usda.gov</a>
Employee Personnel Resource Guide	<a href="http://erc.web.irs.gov/docs/2002/awss/ps/eprg0200/index.html">http://erc.web.irs.gov/docs/2002/awss/ps/eprg0200/index.html</a>
Employee Resource Center	<a href="http://erc.web.irs.gov">http://erc.web.irs.gov</a>
Federal Employees' Group Life Insurance (FEGLI)	<a href="http://www.opm.gov/insure/life/index.htm">www.opm.gov/insure/life/index.htm</a>
Federal Employees Health Benefits (FEHB)	<a href="http://www.opm.gov/insure/health/index.htm">www.opm.gov/insure/health/index.htm</a>
Long Term Care Insurance	<a href="http://www.opm.gov/insure/ltc/index.htm">www.opm.gov/insure/ltc/index.htm</a>
Medicare	<a href="http://www.medicare.gov">www.medicare.gov</a>
Multimedia Publishing Division	<a href="http://publish.no.irs.gov">http://publish.no.irs.gov</a>
National Treasury Employees Union (NTEU)	<a href="http://www.nteu.org">www.nteu.org</a>
Office of Personnel Management (OPM)	<a href="http://www.opm.gov">www.opm.gov</a>
Retirement information	<a href="http://www.opm.gov/retire">www.opm.gov/retire</a>
Safety and Health Information Management System (SHIMS)	<a href="http://shims.web.irs.gov">http://shims.web.irs.gov</a>
Savings Bonds	<a href="http://www.publicdebt.treas.gov">www.publicdebt.treas.gov</a>
Social Security Administration (SSA)	<a href="http://www.ssa.gov">www.ssa.gov</a>
Thrift Saving Plan (TSP)	<a href="http://www.tsp.gov">www.tsp.gov</a>
Work Number for Everyone	<a href="http://www.theworknumber.com">www.theworknumber.com</a> or <a href="http://www.talx.com">www.talx.com</a>

# Introduction

As an employee, you participate in at least some of the benefits and services that IRS provides. As a recipient of these benefits and services, you share some responsibility for understanding them. This understanding is especially important when it is time to change, access, or take other actions relating to your benefits. Follow these steps when you need information or need to take action.

The following icons appear throughout this Guide to call attention to certain items:



do it



learn it



see it

**Step 1:** Use this *Employee Personnel Resource Guide* as your primary tool to research personnel and benefits questions. To get a copy of the *Guide*, order one through Employee Connection (select menu 3; menu 4 for a Braille copy) or through an area distribution center (order Doc. 9669 Catalog No. 22761G). You can also see the *Guide* electronically on the IRS Intranet at <http://awss.web.irs.gov/personnelservices/eprg0200/index.html>.

**Step 2:** If the answer is not in the *Guide*, call the Employee Resource Center (ERC) at 1-866-743-5748; TTY 1-866-924-3578 or go to their website at <http://erc.web.irs.gov>

# Table of Contents

## Introduction

<b>Employee Tools</b> . . . . .	.1
Automated systems . . . . .	.1
Employee Resource Center . . . . .	.1
Employee Express . . . . .	.4
Thriftline . . . . .	.5
Work Number for Everyone . . . . .	.6
Official personnel folder (OPF) . . . . .	.7
Personal Benefits Statement . . . . .	.7
Statement of Earnings and Leave . . . . .	.8
<b>Pay</b> . . . . .	.9
Your salary and other earnings . . . . .	.9
Severance pay . . . . .	.13
Payroll debts owed to the Service . . . . .	.13
Other indebtedness . . . . .	.15
<b>Leave</b> . . . . .	.17
Annual leave . . . . .	.17
Sick leave . . . . .	.18
Leave without pay (LWOP) . . . . .	.21
Excused absence . . . . .	.22
Military leave . . . . .	.24
Court leave . . . . .	.24
Family leave . . . . .	.25
Leave Bank . . . . .	.26
Leave Transfer Program . . . . .	.27
Tardiness . . . . .	.28
Holidays . . . . .	.28
<b>Work Schedules</b> . . . . .	.31
Full time . . . . .	.31
Seasonal (part-time and full-time) . . . . .	.32
Intermittent . . . . .	.32
Job sharing . . . . .	.33
Part time . . . . .	.33
Flexiplace . . . . .	.37
<b>Employee Services</b> . . . . .	.39
Employee Assistance Program and Worklife Programs . . . . .	.39
Health services . . . . .	.43
<b>Your Position</b> . . . . .	.45
How your position is classified . . . . .	.45
How you are evaluated (performance management) . . . . .	.46
Key Feature for Executives, Managers and Management Offices . . . . .	.47

Key Features for Employee (BU & NBU)	49
Employee Incentive Program	53
The Employee Suggestion Program	53
Awards	53
<b>Insurance</b>	55
Life insurance	55
Health insurance	64
Long Term Care Insurance	71
<b>Planning for Your Financial Future</b>	73
The Thrift Savings Plan (TSP)	73
Social Security	83
Savings bonds	86
<b>Designating Beneficiaries</b>	87
<b>Nonpay Status</b>	93
<b>Workers' Compensation Program</b>	97
<b>Leaving the IRS</b>	105
Unusual cases of leaving the Service	105
Schedule of separation actions	105
How certain benefits are treated	106
<b>Retirement</b>	111
Civil Service Retirement System (CSRS)	111
Civil Service Retirement System-Offset (CSRS-Offset)	122
Federal Employees' Retirement System (FERS)	123
How certain benefits are treated	133
<b>Reemployment After Retirement</b>	147
<b>Death in Service</b>	155
<b>National Treasury Employees Union (NTEU) Member Benefits</b>	159
<b>Appendix</b>	163
A. BeST (Benefits and Services Team) and TPB (Transactional Processing Branch) Mailing Addresses	163
B. Life Events and Your Benefits	164
C. Forms and Other Print Material Available From Employee Connection (menu 3)	166
D. Multimedia Material Available From Employee Connection (menu 4)	169
E. Acronyms Used in This Guide	170
F. Federal Employees' Group Life Insurance (FEGLI) Enrollment Opportunities	171
G. Federal Employees Health Benefits (FEHB) Program Enrollment Opportunities	174
H. Certification Form for Foster Children for FEGLI/FEHB Coverage	180
I. Statement of Child Incapable of self-support	181
<b>Index</b>	182



Additional information is contained in the NORD/NC VI (IRS Documents 6647 and 6648) regarding the Service's policies and practices relating to the following for bargaining unit employees:

- Leave,
- Work schedules,
- Flexiplace,
- Federal Employees Health Benefits (FEHB) program,
- Retirement,
- Pre-retirement seminars,
- Workers' compensation,
- Employee Assistance Program, and
- Part-time employment.

# Employee Tools

*As an IRS employee, you have several tools to help you manage and take actions with many of your benefits.*

## AUTOMATED SYSTEMS

### Employee Resource Center

The Employee Resource Center (ERC) is an organization in Agency Wide Shared Services (AWSS) that consists of a contact center and an interactive web site. The ERC provides an easy method for you to request AWSS information and services. One key feature is that the toll-free number will connect you to the ERC and Information Technology Services (ITS). The ERC is designed to meet the day-to-day administrative needs of the individual IRS employee.

The ERC will provide you with general information and services for each of the AWSS functional units, covering a variety of topics as indicated below:

- Real Estate and Facilities — Public Transportation Subsidy Program, building maintenance, workplace security, mail, printing, photocopying, furniture repairs, etc.
- Personnel — Payroll, employee benefits, outside employment, retirement, Thrift Saving, etc.
- Procurement — Requisition Tracking System (RTS)
- Customer Support — Travel, Web TRAS, purchase cards, imprest fund and Career Management & Learning Centers
- Equal Employment Opportunity (EEO) and Diversity Field Services - EEO policy/procedures, reasonable accommodation

There are several easy options for contacting the ERC:

Interactive web site:	<a href="http://erc.web.irs.gov">http://erc.web.irs.gov</a>
Toll-free telephone:	1-866-743-5748
(Hearing impaired):	1-866-924-3578
E-mail:	<a href="mailto:erc@irs.gov">erc@irs.gov</a>
Fax:	FTS 901-546-4597

For new employees, you will receive your Standard Employee Identifier (SEID) by home mail. You will need your SEID in order to receive personalized information when using the ERC web site.

There are many advantages to using the ERC:

- You have an easy method for obtaining information and requesting services from AWSS
- You can access the self-service web site, which provides answers to over 250 frequently asked questions
- You can use the service ticket system to request AWSS information and services
- You will receive an estimated completion time for your service ticket request
- You are able to check the status of your service requests online
- You have the flexibility to choose a method of contact that is convenient for you.

### Employee Connection

Employee Connection is an IRS automated voice response system that provides you with current general and personalized benefits information. Through Employee Connection, you can:

- Order forms, brochures, and multimedia items,
- Receive your personal benefits and payroll information (you will need your personal identification number [PIN] for this information),
- Hear the addresses of Internet and intranet sites that may be useful to you, and
- Transfer to other government automated system (such as the ThriftLine or Employee Express [you will need your PIN to use these systems]).

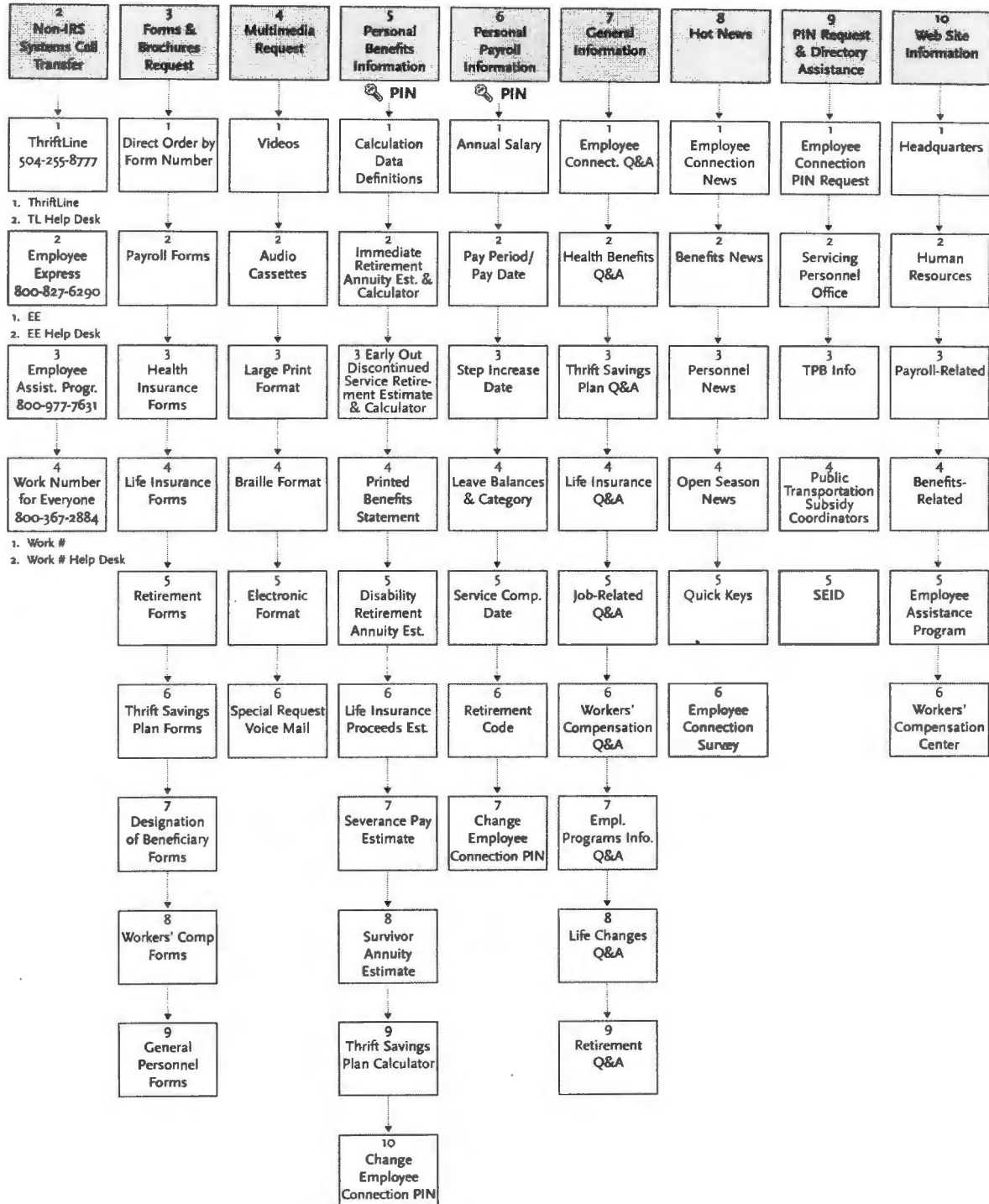
### Employee Connection

- System available 24 hours a day, 7 days a week from a touch-tone telephone.
- From work FTS (700) 372-1603.
- TTY (513) 263-4600.
- From home (800) 829-6007.
- TTY toll-free (800) 382-8169.
- For new employees, a PIN will automatically be sent to your home. This may take up to four weeks.
- Employee Connection PIN required for personal information only. If you have forgotten or lost your PIN, select menu 9 to request a new one.
- If you have recently left the IRS, your PIN is valid for six months from the date you leave but your data is only correct as of the date of separation.

→ See the flowchart on the following page for more information on navigating Employee Connection.

## WELCOME TO EMPLOYEE CONNECTION

### Enter Your SSN




### Employee Express

Employee Express is a mandatory (*see exceptions below*) computer-based administrative system that allows you to input certain payroll transactions without using forms, the mail system, or contacting your Transactional Processing Branch (TPB). This system is operated by the Office of Personnel Management.

You must process the following information through Employee Express:

- Change your Federal withholding allowances,
- Change your state withholding allowances,
- Sign up for Direct Deposit for your paycheck and up to two voluntary savings allotments per pay check (you will need the appropriate bank account number(s) and the financial institution's routing number),
- Change your address,
- Enroll, change the amount of your contributions, or cancel your enrollment in the Thrift Savings Plan (TSP),
- Begin/change your Federal Employees Health Benefits (FEHB) enrollment during open season,
- Begin/change your FEHB premium conversion election during open season,
- Add or change a savings bond allotment (for non-rotating bonds),
- Begin your Combined Federal Campaign (CFC) contribution, during the campaign season,
- Transfer to The Work Number to obtain an authorization code for employment verification.

 You cannot use Employee Express for your monthly discretionary allotments, including those that are authorized for the repayment of student loans, repayment of Federal government indebtedness to other government agencies, overseas allotments, NTEU insurance plans, and Treasury Employees Political Action Committee allotments.

When you use Employee Express, the effective date of your action will be indicated when you complete and confirm the transaction and before you exit the system. Due to the payroll processing cycle, any transactions completed the week before payday will appear either on the next paycheck or the following one. You will receive a "no later than" message before your action has been accepted for processing. You should note that your action may take effect before the "no later than" message. If you use the Employee Express web site for your change, you may also request an e-mail confirmation of your transaction.

#### \* Exceptions for mandatory use of Employee Express:

- New hire,
- Physically challenged employees,
- State tax changes for Alabama, Missouri and Mississippi, and U.S. territories,
- Request to "exempt" a state tax deduction,

- Valid zip codes or bank routing codes not recognized the Employee Express system,
- Locally determined reasonable hardship cases,
- New check mail address elections (if you need to cancel Direct Deposit), and
- FEHB events outside of open season.

#### Employee Express

- System available 24 hours a day, 7 days a week from a touch-tone telephone. TTY (888) 880-0412 available from 7 a.m. to 7 p.m. Eastern Time.
- From work FTS (478) 757-3085 or through Employee Connection (menu 2).
- From home 800-827-6290.
- Employee Express web address: [www.employeeexpress.gov](http://www.employeeexpress.gov)
- Employee Express personal identification number (PIN) required. If you forget yours, call the Help Desk at (478) 757-3030 or Employee Connection (menu 2).
- For additional help, call the Employee Resource Center (ERC) toll-free at (866) 743-5748; TTY (866) 924-3578.

#### Employee Personal Page

The Employee Personal Page is a personalized web site available for employees of all agencies serviced by the National Finance Center (NFC). Employees can view their Statements of Earnings and Leave, Personal Benefits Statement, W-2, savings bond and other personal information online.

Your personal information is not available on this web site unless you specifically request access to your personal page by requesting a PIN number. The history will begin on the database from the time you request the access. The web address is: [www.nfc.usda.gov](http://www.nfc.usda.gov).

#### ThriftLine

The ThriftLine is the Thrift Board's automated telephone system for the Thrift Savings Plan (TSP). Use the ThriftLine to:

- Obtain information about your account,
- Obtain plan news and rates of return,
- Obtain information about loans and withdrawals, and
- Make interfund transfers and investment allotments,
- Allocate future contributions in one or more of the five investment funds,
- Visually impaired employees who read Braille can request their TSP's participation statement in May and November (Employee Connection menu 4).

You will need your Social Security Number (SSN) and your ThriftLine personal identification number (PIN). If you do not remember your PIN, you can call the ThriftLine or use the TSP web site ([www.tsp.gov](http://www.tsp.gov)) to request that a new PIN be mailed to you.

#### ThriftLine

- System available 24 hours a day, 7 days a week from a touch-tone telephone.
- From work FTS (504) 255-8777 or Employee Connection (menu 2)
- TSP web address: [www.tsp.gov](http://www.tsp.gov)
- TTY (504) 255-5113.
- SSN and ThriftLine PIN required. If you need a new PIN, you can request one through the ThriftLine.

#### The Work Number for Everyone (Employment Verification)

The Work Number for Everyone is the IRS automated telephone system for responding to third-party requests for salary and employment information. It provides fast, efficient, and standardized responses to requests; increased security of your salary information; and an audit trail to ensure proper verification. The system is available 24 hours a day.

To use the system:

- Call 1-800-367-2884, or call Employee Connection (menu 2), or use the web page: [www.theworknumber.com](http://www.theworknumber.com) to obtain an authorization code. You can have up to three codes active at one time. Enter the following information when prompted:
  - IRS Company Code: 10114
  - Your Social Security Number (SSN)
  - Your Employee Connection personal identification number (PIN)

☛ If you have lost or forgotten your Employee Connection PIN, call Employee Connection and select menu 9 to request a new one. If you have recently changed your PIN, please allow up to three weeks for the new PIN to be effective on the Work Number for Everyone system. If you need an employment verification within the three week timeframe, use your old PIN until the new PIN is activated.

It should be noted that you can now use Employee Express to access The Work Number. Once you have entered your SSN and PIN through Employee Express you can request to be connected directly through to the work number without providing additional security information. Your SSN and PIN are already verified.


- Record the authorization code.
- Release the authorization code, IRS company code and your SSN to the person who needs to verify your salary or employment. They should call 1-900-555-9675 and follow the prompts which will provide access to your salary and employment data. If the verifier is blocked from calling a 900 number, they can call 1-800-996-7566 for assistance.

Then, the verifier, not the employee, determines the level of verification to request:

- *Basic*, which includes your employer's name, your SSN, your name (spelled), your status (active, inactive, terminated), your most recent start or termination date with IRS, your total time in government (same as service computation date), your job title, and a reference number for each verification,
- *Basic Plus*, which is all of the above, plus the dollar amount of your last pay and your pay frequency, or
- *Full*, which is all of the above, plus your gross earnings year-to-date and your gross earnings for the previous two years.

 Employee information is only available for the current and prior two calendar years.


## OFFICIAL PERSONNEL FOLDER (OPF)

 To review the contents of your OPF, contact the ERC.

By law, all employees in the Federal government have an Official Personnel Folder (OPF) which contains records and documents related to their civilian employment. The right side consists of documents which are kept for the life of the folder. The left side contains documents of a temporary nature which are removed when you leave Federal service.

Your OPF is maintained by and kept at your servicing Transactional Processing Branch. If you leave the IRS and transfer to another Federal agency, your OPF will be forwarded to your new agency. When you leave Federal service, your OPF will be forwarded to the National Personnel Records Center in St. Louis, Missouri.

## PERSONAL BENEFITS STATEMENT


 Call the ERC if you have questions about your Statement or if you do not receive a Statement.

The IRS payroll office (the National Finance Center in New Orleans, Louisiana) sends a Personal Benefits Statement once a year, generally in the Spring, to certain employees covered under the Federal Employees' Retirement System, the Civil Service Retirement System, and the Civil Service Retirement System - Offset. Statements are not sent to employees with intermittent or seasonal work schedules.

Your Personal Benefits Statement describes the *estimated value* of benefits available to you and your survivors in the event of your voluntary retirement, disability retirement, or death in service. It also includes estimated annuity benefits and account balances from the Thrift Savings Plan, Social Security and/or Medicare benefits and other general guidance.



## STATEMENT OF EARNINGS AND LEAVE

 If you detect any errors in your Statement of Earnings and Leave, notify the ERC. Keep these Statements for your records.

Every two weeks you will receive a Statement of Earnings and Leave. It contains:

- A detailed description of your current and year-to-date wages,
- Mandatory deductions taken from your pay, including Federal, state, and local taxes and Social Security and retirement contributions, and
- Voluntary deductions taken from your pay, including life and health insurance premiums, union dues, charitable contributions, and allotments for U. S. Savings Bonds, the Thrift Savings Plan, and your personal savings.

You should review this statement to ensure that you are being paid correctly and to ensure that the deductions from your pay are correct. You should also review the remarks area for important information and upcoming events.

Visually impaired employees who read Braille can get a Braille copy of their statement (Employee Connection, option 4).

## PINS — AN IMPORTANT NOTE

As you can tell by reading this chapter, there are many tools available for your use that are secured by a personal identification number (PIN). You may not have need of some of these systems often, however, when you do need to use the information contained in these systems, time is usually of the essence. All of the systems described in this chapter have a PIN Change feature. It is recommended that you change all of your PINs to something secure that can easily be remembered so that all systems are available for your immediate use, when necessary.

# Pay

*Pay is the salary you receive for working as an IRS employee. This chapter explains many aspects of pay, including debts you may have that affect your pay.*

## YOUR SALARY AND OTHER EARNINGS

### How your pay is regulated

The pay of all Federal employees is set by Executive Order/law and is administered by the Office of Personnel Management.

### How your pay is calculated

Your pay is determined by the number of hours you worked and/or the number of hours you were in a paid leave status for each bi-weekly pay period.

Your salary is based on your assigned grade and step. Most employees are paid from the General Schedule (GS), which includes a basic pay rate and, for many employees, an additional geographic locality adjustment based on the cost of living in the area where the employee works. The basic rate of pay plus the appropriate geographic adjustment is referred to as your *adjusted* rate of pay.

Other employees are paid under Pay Banding or the Federal Wage System (FWS). FWS employees are paid based on the hourly rate of comparable trade jobs in the local area.

If you are in a hard-to-fill position, your pay may be covered by a special salary rate. In those cases, your salary will be the higher of the special salary rate or the GS rate plus any locality pay. If you are a Criminal Investigator, grade 3 through 10, you may be entitled to both a special salary rate and any locality pay.

Salary checks are issued biweekly.

Call Employee Connection to:  
• Get personal payroll information (menu 6)  
or visit the ERC web site at  
<http://erc.web.irs.gov>

### Salary limitation

Your total salary for a bi-weekly pay period, including basic pay and any premium pay, cannot be more than the maximum scheduled pay rate for a GS-15, step 10 employee, unless:

- You are covered by the Fair Labor Standards Act (FLSA), in which case you are not subject to salary limitations.

### Types of pay

Your pay is considered either:


- Basic (the salary you generally receive every two weeks) or
- Premium.

Premium pay falls into several categories:

*Law Enforcement Availability Pay (LEAP)* applies to full-time Criminal Investigators. Criminal Investigators who are certified as performing or available to perform law enforcement work to meet the needs of the Service for a specified number of hours of overtime annually may earn an additional 25% of his or her adjusted annual salary. Part-time Criminal Investigators do not receive LEAP.

*Overtime* is work performed in excess of 8 hours in a day or 40 hours in a week. There are two types of overtime. The most common type is *regularly scheduled overtime*. This is overtime that is scheduled in advance of the administrative work-week. You are eligible to be paid night differential (discussed later) for regularly scheduled overtime performed between 6:00 p.m. and 6:00 a.m. The second type of overtime is *irregular or occasional overtime*. Irregular or occasional overtime is overtime which cannot be pre-scheduled and is ordered by management to meet emergency or critical work situations. Employees may not earn night differential for occasional or irregular overtime.

Overtime pay is computed at 1½ times the hourly rate of pay for all employees covered by FLSA (FLSA non-exempt). Employees not covered by FLSA (FLSA-exempt) have their overtime capped at the hourly rate of a GS-10, step 1 employee. Your FLSA status may be found on a recent SF-50, Notification of Personnel Action. All overtime is subject to the ceiling cap of the bi-weekly earnings of the greater of GS-15, step 10, or Level V of the Executive Schedule. Overtime can be worked in 15-minute increments.

 All overtime work must be approved in advance by management.

*Administratively uncontrollable overtime (AUO)* generally applies when you are responsible for recognizing, without supervision, circumstances that require you to remain on duty to complete specific work assignments on a routine, ongoing basis. AUO pay is a substitute form of payment for irregular, unscheduled overtime work and is paid annually instead of hourly. AUO pay is determined as a percentage, not less than 10% nor more than 25%, of the rate of your annual adjusted rate of pay and is fixed by law or administrative action for the position you hold. AUO is very infrequently authorized to IRS employees.

*Night differential* is an additional 10% of the adjusted hourly rate of pay for each hour that GS employees regularly work between 6:00 p.m. and 6:00 a.m. Night differential will not be paid on annual and/or sick leave taken of 8 or more hours in a pay period. Night differential will not be paid on credit hours or compensatory time taken, regardless of the number of hours in a pay period.

*Shift differential* applies only to FWS employees. If you are an FWS employee (full-time, part-time, or intermittent) you are entitled to shift differential

when over one-half of your tour of duty falls within specified times. Shift 1 covers the hours between 7:00 a.m. and 3:00 p.m. Shift 2 covers the hours between 3:00 p.m. and midnight. Shift 3 covers the hours between 11:00 p.m. and 8:00 a.m. Employees with over one-half of their tour of duty during Shift 1 employees will not receive differential on any of the hours in their tour of duty. Employees with over one-half of their tour of duty during Shift 2 receive a differential of 7½% for all hours in their tour of duty. Employees working more than one-half of their tour of duty during Shift 3 receive a differential of 10% for all hours in their tour of duty.

*Sunday premium pay* is 25% of your adjusted hourly rate of pay. Full-time GS or FWS employees who perform work as a part of their regularly scheduled tour of duty of which any part is within the period beginning at midnight on Saturday and ending at midnight on Sunday are eligible to receive Sunday premium pay. Part-time employees are not entitled to Sunday premium pay. To earn Sunday premium pay, you must actually perform work between these hours.

*Holiday premium pay* is due if you are required to work during your regularly scheduled tour of duty on an official Federal holiday. You will receive pay for your basic hours and again for the hours worked. This amounts to double time for the hours worked on the holiday. If you are required to work on a holiday, you will be compensated for a minimum of 2 hours holiday premium pay. Hours worked on a holiday outside of your regular tour of duty must be paid as either overtime or compensatory time off. You may not work credit hours on holidays in lieu of holiday pay unless that provision is specifically provided for in the local Alternative Work Schedule Agreement. Members of the Senior Executive Service are not eligible to earn holiday pay.

#### Working for other than pay

You can be compensated for hours worked by receiving "time off" instead of money by earning either:

- Compensatory (comp) time or
- Credit hours.

*Comp time* is time that can be granted to you for equal amounts of overtime worked. Compensatory time may be earned in 15 minute increments. If you are FLSA non-exempt, the election to earn comp time rather than overtime is entirely your option. However, management may direct FLSA exempt employees to work comp time rather than overtime. Both GS and FWS employees are eligible to earn comp time. Members of the Senior Executive Service are not eligible to earn comp time.

You may not accumulate more than 80 hours of comp time at any one time. If you accumulate more than 80 hours of comp time at the end of any bi-weekly pay period, you will forfeit the number of hours over 80. In addition, you must use the comp time within 12 pay periods after the pay period in which you worked it. If you do not use your comp time within the 12 pay period limit,

FLSA-exempt employees will forfeit the comp time and FLSA non-exempt employees will be paid for the comp time at the overtime rate that was in place when the hours were worked. Comp time earned is considered premium pay and is subject to the bi-weekly pay cap (GS-15/10).

*Comp time for religious observances* will be granted in 15 minute increments when your personal religious beliefs require you to abstain from work during certain periods of the workday or workweek. When possible, notify your manager of your desire to take comp time off for a religious observance 15 days in advance. You can repay a grant of advanced comp time off for a religious observance by the appropriate amount of comp overtime work, generally within 120 days. If you take advanced comp time off for a religious observance, you can later change that time to annual leave. However, if you take annual leave or leave without pay for religious holidays, you cannot later change that to comp time off.

☛ All comp time worked must be approved in advance by management.

*Credit hours* is time that you can earn and then use in 15 minute increments instead of using sick or annual leave. Credit hours may be earned only if you are on a flexible work schedule (flexitour with credit hours). You may work up to two hours a day in addition to your regular tour of duty and up to 10 hours on days that you are not scheduled for work. You may accumulate up to 24 credit hours at any given time. You will forfeit any credit hours accumulated above 24 at the end of any bi-weekly pay period. You may not work credit hours on holidays in lieu of holiday pay unless that provision is specifically provided for in the local Alternative Work Schedule Agreement.

Members of the Senior Executive Service are not eligible to earn credit hours.

Although you may not earn credit hours for travel, you may earn credit hours for work you elect to perform while traveling.

☛ All credit hours worked must be approved in advance by management.

#### Within-grade increase (WGI)

If you are paid under the GS or under the FWS, you may earn a WGI by performing satisfactorily for a specified period of time in your job.

If you are a full-time or part-time GS employee with a scheduled tour of duty, the waiting periods between WGIs are generally as follows:

- Step 2, 3, 4: 52 calendar weeks
- Step 5, 6, 7: 104 calendar weeks
- Step 8, 9, 10: 156 calendar weeks

If you are a full-time or part-time FWS employee with a scheduled tour of duty, the waiting periods between WGI's are generally as follows:

- Step 2: 26 calendar weeks
- Step 3: 78 calendar weeks
- Step 4, 5: 104 calendar weeks

## SEVERANCE PAY

### Who is eligible for severance pay

You may be *eligible* for severance pay if you have held a permanent position with the Federal government continuously for at least 12 months and lost your job through no fault of your own. This includes being separated from the Service because of a reduction-in-force, your position is abolished, or your job is transferred outside the commuting area and you are not able to move.

You are *ineligible* if you turn down a *reasonable offer* (defined as a position in the same commuting area, for which you are qualified, and within two grades or pay levels of your current position). In addition, you may not receive severance pay if you are eligible to receive a civilian or military government retirement annuity (including optional, discontinued service retirement (DSR), early retirement, or retired military pay) immediately upon leaving the Service. If you are receiving workers' compensation for a job-related injury, it will be suspended while you are receiving severance pay.

### Calculating severance pay

The basic allowance of severance pay is one week's salary for each year of your first 10 years of service and two week's salary for each year of service over 10 years. In computing creditable service, credit is given for each full year and 25 percent of a year for each three months that exceeds one or more full years. An age adjustment of 10 percent of the total severance allowance is added for each year over 40 years of age at time of separation with credit for fractions of a year at 25 percent for each three months. These two figures added together become your severance pay fund.

When you receive severance pay, it is paid at the bi-weekly rate of pay you received immediately before you were separated, with deductions for income tax, Medicare, and FICA (if subject to FICA at the time of separation) withheld.

### Limits on severance pay

Severance payments end when:

- You are reemployed in the Federal government,
- Your severance pay fund is exhausted, or
- You reach the lifetime limit of one year's salary.

## PAYROLL DEBTS OWED TO THE SERVICE

Sometimes, a correction to a personnel action or a correction to a Time and Attendance Record may affect your pay. Underwithholdings of deductions, such as life and health insurance premiums, retirement contributions, or union dues, can also cause an overpayment and result in a payroll debt that must be repaid. The following are examples of payroll debts.

**Example 1.** A Time and Attendance Record is processed retroactively to reflect time in a nonpay status that was originally posted as time in a pay status.

**Example 2.** A promotion is processed for an employee, but the effective date was incorrect. A correction changed the effective date to a date later than the original effective date, causing the employee to have an overpayment of salary.


**Example 3.** After processing a temporary promotion on an employee, a change to lower grade was not processed timely and the employee was overpaid from the time the temporary promotion ended until the time the change to lower grade was processed.

**Example 4.** An employee is incorrectly reassigned to an area with a higher locality pay rate. A corrective personnel action is processed to reflect the employee's correct salary when it is discovered that the employee's pay was erroneously established at the higher rate.

**Example 5.** An employee's retirement coverage was incorrectly established in the personnel/payroll system. The miscoding created an underwithholding for that retirement code, resulting in an overpayment of salary. Although the employee had deductions withheld from pay, the amount (including Social Security, Medicare, and retirement contributions) withheld was insufficient for the correct retirement code.

**Example 6.** An employee is placed in nonpay status and elects to continue Federal Employees Health Benefits coverage and to incur a debt. The employee resigns before paying the debt, which results in a health insurance receivable.


In cases like the previous examples, your Transactional Processing Branch (TPB) will send you a debt collection letter (in the case of Example 6, your notification will come from the National Finance Center and your rights are limited). A *debt collection letter* is a notification and information document. It will explain the payroll debt you owe (the overpayment you received) and will help you decide how to proceed and what your rights are as an employee.

 Review your debt collection letter carefully to determine how and to whom you will need to respond.

#### How your payroll debt is collected

Payroll debts are collected from your bi-weekly salary at 15% of your net disposable pay.

#### Requesting an economic hardship

You may request that less than 15% of your net disposable pay be collected to repay the payroll debt if this would cause you an economic hardship.  To request this, complete the Payment Agreement attached to the debt collection letter, requesting a reduction in the amount collected per pay period. You must also provide documentation to justify the hardship request. A list of your monthly expenses will usually provide the necessary justification.

### Requesting a waiver

In limited circumstances, you may be able to request a waiver of your payroll debt. The overpayment must be of such a nature that you would normally not have noticed it (i.e., a nominal amount). Generally, waivers of an overpayment will not be approved if you received a significant unexplained increase in pay or otherwise know, or reasonably should know, that an erroneous payment has occurred and you do not make inquiries or bring the matter to the attention of the appropriate officials, such as your manager or an Employee Account Representative.

To request a waiver, complete the *Request for Waiver/Review Form* attached to the debt collection letter and return it to your servicing TPB. In your request, you should include information on when you were notified of the payroll debt.

### Disputing a debt

There may be situations where your indebtedness was a product of circumstances that could not have been detected or from a current action that has retroactive ramifications. If you have a question regarding the validity of the payroll debt, carefully read your debt collection letter to understand your rights as an employee and the steps you can take to dispute a payroll debt you feel is invalid.

### Taxability of debts

Your debt collection letter will state whether your payroll debt is taxable or nontaxable. The fact that you have an indebtedness means that you received monies that you were not entitled to in excess of your normal salary. Generally, if you repay the payroll debt in the same year you are notified that you became indebted, there is no further liability. Otherwise, the Form W-2 issued to you at the end of the year will reflect the unpaid balance of the payroll debt as additional income you received. If you repay the payroll debt in a subsequent year, the National Finance Center (NFC) may issue you a repayment statement for tax purposes. If you do not receive a repayment statement from NFC, you may request one from your servicing Transactional Processing Branch or you may also use a copy of your final leave and earnings statement for the tax year as proof of payment.

### Leaving the IRS

When you leave the IRS for any reason, you are still responsible for any payroll debts you owe.

→ See the *Leaving the IRS* chapter for more information.

Call the Employee Resource Center to get the address of your servicing Transactional Processing Branch.

## OTHER INDEBTEDNESS

Sometimes, employees owe debts to Federal agencies. Common examples are debts owed to the Department of Education (for school loans) and the U.S. Department of Agriculture (for excess distribution of food stamps). Such debts can be collected in accordance with the Debt Collection Improvement Act of 1996.

As part of this Act, the Financial Management Service (FMS), which issues all government payments, maintains a database of Federal agencies that are owed



money. Once FMS receives a payment request (such as a travel reimbursement request), it is first cross-checked against the database for any debt owed to a Federal agency before the check is issued. If the individual to whom payment is being made owes money to a Federal agency, it is deducted from the payment (such as tax refunds and travel reimbursements) that FMS issues. The amount of deduction depends on the type of payment being made to the individual.

# Leave

*Leave is an absence from work. This chapter discusses the many types of leave and the programs that relate to leave.*


## ANNUAL LEAVE

### What it is and how it is used

Annual leave is an absence from work with pay that requires management approval. Although normally used for vacations, you may use request annual leave anytime you are absent from work, including for illness.

To allow you to have sufficient time to make personal plans, your manager will respond to annual leave requests as soon as possible.

 Annual leave is earned in 1 hour increments and may be taken in 15 minute increments.

 Call the Employee Resource Center if you have questions about your leave.

### Earning annual leave

How much annual leave you earn depends on how long you have been working and whether you are a full-time or part-time employee. Employees on an intermittent work schedule or on a temporary appointment of less than 90 days do not earn annual leave. Refer to the chart below to find your category and see how much you earn.

Type of appointment	Up to 3 years of service	3-15 years of service	15 or more years of service
Full-time permanent and full-time seasonal	4 hours per pay period	6 hours per pay period (in the last full pay period in the calendar year 10 hours are accrued)	8 hours per pay period
Part-time permanent and part-time seasonal	1 hour for every 20 hours worked	1 hour for every 13 hours worked	1 hour for every 10 hours worked

### Use or lose

Normally, the maximum number of hours of annual leave that you can accumulate and carry over from one year to the next is 240 hours, regardless of whether you work full time or part time. You must use any annual leave over this amount before beginning the first full pay period of the new leave year, or it will be lost. This situation is commonly referred to as *use or lose* annual leave. Members of the Senior Executive Service may carry over up to 720 hours of annual leave from year to year. Certain employees stationed outside the United States may carry over 360 hours.

→ Other chapters in this Guide concern annual leave. You should read them:

- Retirement
- Reemployment After Retirement
- Work Schedules (part time)
- Nonpay Status
- Leaving the IRS

You need to schedule all of your use or lose annual leave in writing as soon as practical, but no later than the last day of pay period 23 each year. If you have scheduled your annual leave and could not use it due to illness or due to the urgency of public business, it may be restored for use at a later time. Use or lose annual leave that is not scheduled and approved by the last workday of pay period 23 will not be restored.

#### Requesting annual leave

✍ Give your manager a completed leave request (SF-71, *Application for Leave*, or other acceptable documentation) as far in advance as possible.

You may request annual leave for your absence for which you would otherwise take sick leave. Conversely, if you become ill while on annual leave, you may request sick leave instead as long as you notify your manager on the first day of the illness and follow the other requirements mentioned later under *sick leave*.

#### Getting an advance of annual leave

You are encouraged to save your annual leave to cover both planned and unplanned absences. However, if you are a permanent employee and have served more than 90 days in your current appointment, your manager may advance you annual leave up to the amount you would earn by the end of the leave year.

If you are a temporary employee and have served more than 90 days in your current appointment, your manager may advance you annual leave up to the amount you would earn by the end of your appointment.

You must repay the amount equal to all advanced leave before the end of your appointment or before you leave the IRS. If you do not repay it, you will be billed for the amount equal to the leave or the amount you owe may be taken from your final salary and/or lump sum leave payment.

## SICK LEAVE

#### What it is and how it is used

Sick leave is an absence from work with pay. It is earned in 1 hour increments; however, it may be taken in 15 minute increments.

#### Sick leave for personal needs

You may use sick leave when you are absent or incapacitated due to:

- Physical or mental illness,
- Injury,
- Pregnancy,
- Childbirth,
- Activities required to adopt a child,
- Visits to a doctor, optometrist, or dentist, or
- Exposure to a communicable disease (as determined by a local health authority or health-care provider).

→ Read the later section on *Family and Medical Leave* to learn about using sick leave (alone or combined with other types of leave) for yourself or members of your family.

#### **Sick leave for family care and bereavement**

As a full-time employee, you may use up to 40 hours (5 workdays) of sick leave to:

- Provide care for a family member as a result of physical or mental illness, injury, pregnancy, childbirth, or medical, dental, or optical examination or treatment;
- Make arrangements necessitated by the death of a family member or attend the funeral of a family member.

An additional 64 hours (8 workdays) of sick leave may be used as long as you maintain a balance of at least 80 hours of sick leave in your sick leave account. *(Part-time employees are entitled to pro-rated amounts based on the number of hours in their regularly scheduled workweek)*

#### **Sick leave to care for a family member with a serious health condition**

As a full-time employee, you may use a total of 12 weeks (480 hours) of sick leave in a leave year to care for a family member with a serious health condition if you maintain an 80-hour sick leave balance. If you use any portion of the 13 days of sick leave for general family care or bereavement purposes in a leave year, that amount must be subtracted from the 12-week entitlement. *Part-time employees are entitled to pro-rated amounts based on the number of hours in their regularly scheduled workweek.*

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves:

- Inpatient care in a hospital, hospice, or residential medical care facility, or continued treatment by a health-care provider in connection with the condition, whether on an inpatient or outpatient basis.
- Absence from work on a recurring basis or for more than a few days. The term "serious health condition" is not intended to cover short-term conditions for which treatment and recovery are very brief.

For the use of sick leave for all family care, a "family member" is defined as:

- Spouse, and parents thereof;
- Children, including adopted children, and spouses thereof;
- Parents;
- Brother and sisters thereof; and
- Any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

☎ Call the Employee Resource Center if you have questions about your leave.

#### Earning sick leave

The amount of sick leave you earn depends on what type of appointment you have. Employees on an intermittent work schedule do not earn sick leave. Refer to the chart below to find your category and see how much you earn.

Type of appointment	Amount earned
Full-time permanent employee, temporary employee with an appointment of 90 days or more, or seasonal employee	4 hours per pay period
Part-time employee or part-time seasonal employee	1 hour for every 20 hours worked

☞ There is no limit on the amount of sick leave that you may accumulate and carry over from one year to the next.

#### Recredit of sick leave

If you had a break in service (no matter how long the break was), your sick leave may be recredited to you if you returned to Federal employment on or after December 2, 1994, if you are otherwise entitled. However, your sick leave may not be recredited if you forfeited the sick leave upon your reemployment in the Federal government before December 2, 1994.

➔ If you are a re-hire with prior Federal service, call the ERC to see if you are entitled to a recredit of sick leave.

#### Requesting sick leave


✍ Give your manager a completed leave request (SF-71, *Application for Leave*, or other acceptable documentation) as far in advance as possible.

You may request annual leave for your absence for which you would otherwise take sick leave. Conversely, if you become ill while on annual leave, you may request sick leave instead as long as you notify your manager on the first day of the illness and follow the other requirements mentioned in this section.

If you are too sick to come to work, request leave from your manager as soon as you can (generally, within the first two hours of the time you normally report to work on the first day you are absent). If your manager is unavailable, leave a telephone number where you can be reached, ask for the next higher manager, or call back when the manager is available. If your illness continues beyond one day, you must keep your manager informed, normally each day.

See the section on the *Leave Bank* later in this chapter for information on how it can help you with an unexpected family or medical emergency.

### **Illness lasting more than three days**

 Give your manager a medical certificate signed by your physician or practitioner for any time you are absent for sickness for more than three days (not including a day in which you are released from work because of illness). Your manager may waive this requirement. All medical information you give to your manager to support your request for sick leave is confidential.

### **Illness while in travel status**

Contact your manager as soon as you can for unusual cases of sick leave, such as illness or injury while in travel status.

### **Getting an advance of sick leave**

Although you are encouraged to save your sick leave to cover both planned and unplanned absences, you may request that you be advanced sick leave if:

- You agree to repay the advance through leave that you earn in the future (or you agree to pay cash, if appropriate),
- Your request (plus any existing advanced leave balance) does not exceed 240 hours (for a full-time employee; advances for a part-time employee are prorated),
- There is no reason for your manager to believe that you will not return to work after having used the leave, and
- You have provided acceptable medical documentation of the need for advanced sick leave (if required).

You must repay all advanced leave before the end of your appointment or before you leave the IRS. If you do not repay it, you will be billed for the amount equal to the leave or the amount you owe may be taken from your final salary and/or lump sum annual leave payment.

### **What it is and how it is used**

Leave without pay (LWOP) is a temporary absence from work without pay. If approved by management, it is granted in one-hour increments.

→ Employees often use LWOP for situations relating to families. IRS managers are encouraged to grant leave in support of family-related activities, including:

- School and early childhood educational activities (such as parent-teacher conferences and participating in volunteer activities supporting a child's educational advancement)
- Routine family purposes (such as routine medical or dental appointments), and
- Elderly relatives's health or care needs (such as routine medical or dental appointments or making arrangements for housing, meals, phones, and banking services).

→ Other chapters in this Guide concern sick leave. You should read them.

- Retirement
- Reemployment After Retirement
- Work Schedules (part time)
- Nonpay Status
- Leaving the IRS

## **LEAVE WITHOUT PAY (LWOP)**

☎ Call the Employee Resource Center if you have questions about your leave.

Subject to work requirements and after you have completed five years of service, your manager may approve LWOP for a period of up to one year for you to engage in full-time job-related study and activities which your manager has determined are designed to improve your job skills.

Your manager may approve up to 30 calendar days of LWOP for political activities permitted under the Hatch Act Reform Amendments of 1993.

#### Returning to work after extended LWOP

To the extent practical, you will be returned to the position you held when you began your LWOP or into a like position in the commuting area.

#### How LWOP affects your employment status

Several benefits are adversely impacted for continuous or intermittent periods of LWOP. During any pay period where the total hours you are in a LWOP status reaches 80 hours, you will not earn sick or annual leave for that pay period. If the LWOP reaches 80 hours in the last full pay period in the calendar year, and you are accruing six hours of annual leave, you will lose the entire 10 hours accrual for that pay period.

➔ See the *Insurance* chapter for how LWOP affects your health and life insurance.

You can take up to six months of LWOP in a calendar year without affecting your service computation date for either leave accrual or retirement eligibility purposes. If you have more than six months, your service computation date will be adjusted by the amount of time you are in LWOP status that is over the time that is already allowed.

For *within-grade increases*, the waiting period for steps 2, 3, and 4 of a grade is extended if your time in LWOP status is longer than two weeks; for steps 5, 6, and 7 if your time in LWOP status is longer than four weeks; and for steps 8, 9, and 10 if your time in LWOP status is longer than six weeks. In all cases, the waiting period is extended by the amount of time you are in LWOP status that is over the time that is already allowed.

## EXCUSED ABSENCE

#### What it is and how it is used

An excused absence is a paid absence from work which is authorized by your manager and which does not affect your pay or your leave balances. The IRS/NTEU National Agreement spells out certain situations in which employees are entitled to administrative leave. These are as follows:

1. Employees rated fully successful and above may be granted up to eight (8) hours of excused absence (administrative leave) per year to volunteer their time to legitimate public service organizations.
2. Subject to workload considerations the Employer may grant an employee up to a total of four (4) hours excused absence per calendar year for the purposes of attending a health benefits fair, reviewing health benefits information and materials, receiving financial counseling, and seeking supplemental retirement counseling.

Other situations which may warrant excused absence are discussed below. Additionally, your manager may excuse an absence of less than one hour when you provide him or her with a reasonable explanation for the absence.

#### Registration and voting

When the voting polls are not open at least three hours either before or after your regular hours of work, you may be granted an amount of excused absence to vote or register to vote which will permit you to report to work three hours after the polls open or leave work three hours before the polls close, whichever requires the lesser amount of time. You may be excused for up to a full workday under exceptional circumstances where the general rules do not permit sufficient time to enable you to vote or register to vote.

#### Office closing

You will be given an excused absence whenever it becomes necessary to close your office because of inclement weather or any other emergency situation. This includes heavy snow or severe icing conditions; floods, earthquakes, hurricanes, or other natural disasters; air pollution; massive power failure; major fires; or serious interruptions to public transportation caused by incidents such as strikes of local transit employees or mass demonstrations.

If any of the above emergency conditions exist and prevent you from getting to work when the office is *not* closed, you should contact your manager as soon as you can to explain the circumstances and provide an estimated time of your arrival.

Your manager may grant you excused absence for all or a part of your workday. To be given such consideration, you should provide your manager with reasonably acceptable documentation that you made reasonable efforts to reach work, but that the emergency conditions prevented you from arriving on time.

#### Tax audit

You will be granted an excused absence to attend a tax audit:

- That is required as a condition of employment,
- That results from an investigation by the Treasury Inspector General for Tax Administration (TIGTA), or
- To discuss your tax affairs with a member of TIGTA.

#### Blood donation

If you donate blood, you are entitled to up to four hours of excused absence to recuperate. You are also entitled to travel time to and from the donation site and to actually give blood. If necessary, you may be granted additional time to recuperate which does not exceed the remaining hours you are scheduled to work on that day.

If you are not accepted for donating blood, you are entitled to the time necessary to travel to and from the donation site and the time needed to make the determination.



### **Bone-marrow and organ donation**

(See references: 5 U.S.C. 6327,

<http://www.opm.gov/oca/leave/html/donor.htm>)

If you serve as a bone-marrow donor, you are entitled to 7 days of excused absence/administrative leave (without loss of pay or charge to leave) each calendar year (in addition to annual and sick leave) and 30 days each calendar year to serve as an organ donor. This includes travel time, and the time required for testing to see if you are a compatible donor, plus the time required to undergo the transplant procedure and recuperate.

## **MILITARY LEAVE**

### **What it is and how it is used**


If you are a permanent full-time or temporary full-time employee with an appointment which exceeds one year and you are a reservist of the armed forces or a member of the National Guard, you are entitled to 120 hours of paid military leave in any fiscal year for *active duty* training and inactive duty training military service.

You may be charged military leave only for hours you would otherwise have worked and received pay.

You may carry over up to 120 hours of military leave into the next fiscal year, not to exceed 240 hours in any fiscal year.

If you are a part-time employee, you will accrue military leave on a prorated basis.


### **Requesting military leave**

 You should apply, in writing, for military leave as soon as you receive military orders.

### **Leaving the military**

When you leave the military, you must provide your manager a certified copy of your orders showing that you have completed your active duty.

## **COURT LEAVE**

 Call the Employee Resource Center if you have questions about your leave.

### **What it is and how it is used**


Court leave is a paid, authorized absence from duty which does not affect your leave balances when you have:

- Been called to jury duty,
- Been asked to be a witness in a non-official capacity on behalf of the United States, the District of Columbia, or a state or local government, or
- Been asked to be a witness in a non-official capacity on behalf of a private party in any judicial proceeding to which the United States, the District of Columbia, or a state or local government is a party.

If you are summoned by a court to see if you qualify for jury duty, you are entitled to court leave for the time you are gone whether or not you are actually selected. If you are selected for jury duty and the court dismisses the jury early, you are expected to return to work if you would be able to work at least two hours.

A night shift employee who performs jury duty during the day is granted court leave for his or her regularly scheduled night tour of duty and is entitled to the night differential for the time missed due to court leave. → See the *Pay* chapter under *Types of pay* for more information on night differential.

#### Substantiating court leave

 Before your absence, you must provide your manager with the subpoena or other court documentation requesting you to be in court.

#### When court leave is not appropriate

If you are required to testify in court in an official capacity, you are considered to be working, not on court leave. You will not be granted court leave for personal reasons such as traffic tickets, small claims cases, or other administrative hearings.

#### Fees received while on court leave

Based on your state requirements, you may have to turn in any fees you receive while on court leave, except those for meals and transportation. Your manager can tell you where you should send any fees you receive.

## FAMILY AND MEDICAL LEAVE

The Family and Medical Leave Act (FMLA) entitles full and part-time employees who have completed 12 months of service to 12 workweeks of unpaid leave or paid leave in any 12-month period for the following purposes:

- The birth and care of a child (may not be used after the child is one year of age);
- The placement of a child with you for adoption or foster care;
- The care of a family member with a serious health condition or your own serious health condition.

Under FMLA, "family member" is defined as a spouse, son, daughter, or parent.

#### Requesting leave under the Family and Medical Leave Act

To use leave under the FMLA, complete Form 9611, *Application for Leave under the Family Medical and Leave Act*. You can get this form from your manager. Your manager may also have to complete Form 9610, *Record of Approved Leave, Family Medical and Leave Act*, and you may need to have your medical provider complete a medical certification.

#### Medical certification

Your manager may request a medical certification if you take more than three days of leave under the FMLA or FFLA for your own serious health condition or to care for a family member with a serious health condition. However, he or she may determine that this is unnecessary based on knowledge regarding an ongoing condition, previously furnished acceptable medical certification on a chronic medical condition, or other available information.


### Returning to work after taking extended leave under the Family and Medical Leave Act

Upon return from FMLA leave, you must be returned to the same position or to an "equivalent position with equivalent benefits, pay status, and other terms and conditions of employment" (quote from the FMLA).


## LEAVE BANK

### What it is

The Leave Bank is a program that employees who are enrolled in and who have a *medical emergency* can use.

 A *medical emergency* is a personal or family situation that may require you to be absent from duty for a prolonged period of time and result in a substantial loss of income because you have exhausted your paid leave.


### Joining the Leave Bank

 Complete Form 9058, *IRS Leave Bank Program Membership/Contribution Form* and return it to your local Leave Bank Coordinator during the Leave Bank open season. Form 9058 is available through Employee Connection, menu 3. There are usually two open season periods for Leave Bank membership: one in January and another at approximately mid-year.

When you enroll, you must donate the number of hours that equal your annual leave accrual for one pay period. If you are a new employee, you may join the Leave Bank within 30 days of being hired.

You may also join your local Leave Bank within 30 days of being hired, if you transfer to a new geographical region, or return to duty from extended leave, even if it is outside of a Leave Bank open season.

### Applying for leave from the Leave Bank

 To apply to the Leave Bank for a leave donation, submit a written application to the Local or National Office Leave Bank Coordinator. Written applications vary in each region, so contact your local Leave Bank Coordinator for guidance. If a leave bank member is not capable of making application on his or her own behalf, a personal representative may make the written application. Local Leave Bank Coordinators forward requests to the Primary Geographical Leave Bank Coordinator who forwards them to the Leave Bank Board for review. Following a thorough review of the application by each Leave Bank Board member, a decision by consensus determines approval or disapproval.

### Donating leave to the Leave Bank

You can donate annual leave to the Leave Bank at any time. However, donations made outside the official open season periods do not constitute a membership donation. The maximum amount of leave that you can donate is one-half of the amount of annual leave you will accrue during the leave year.

However, if you are contributing annual leave to a family member, you may donate up to 75% of the annual leave you will accrue during the leave year.

The amount of leave available for emergencies depends entirely upon the amount received in donations.

☛ For purposes of the Leave Bank, a "family member" is your spouse, parents, brothers, sisters, their spouses, parents of your spouse, and any individual related by blood or affinity.

If you have use or lose annual leave at the end of the year and you would like to see it used for a good cause, contact your local Leave Bank/Leave Transfer Coordinator.

## LEAVE TRANSFER PROGRAM

### What it is and how it is used

The Leave Transfer Program allows you to transfer to an approved leave recipient (excluding your manager) up to one-half of the amount of annual leave you will accrue during the leave year.

### Donating leave to the Leave Transfer Program

☛ To donate leave to an employee within IRS or located in another Federal agency, contact your local Leave Bank/Leave Transfer Coordinator for the locally approved procedures and forms to use. You must provide documentation showing that the person to whom you want to transfer leave is an approved leave recipient (an employee for whom an application has been officially approved to receive annual leave from the annual leave accounts of one or more leave donors).

### Applying for leave in the Leave Transfer Program

To qualify to receive leave, your application indicating a personal or family medical emergency (see the Leave Bank section, earlier, for a definition) which results or will result in an absence from duty without leave of at least 24 hours, must be officially approved. You may also apply for donated leave for maternity purposes. You do not have to be a member of the Leave Bank to apply for leave under the Leave Transfer Program.

☛ To apply, contact your local Leave Bank/Leave Transfer Coordinator for the locally approved procedures and forms to use. At a minimum, you must provide a brief description of the nature, severity, and anticipated duration of the medical emergency. You may be required to submit a signed statement by a physician. Your Coordinator will help you prepare or will prepare for you the solicitation memorandum which is directed to employees whom you designate.

☛ You must use your own leave before using donated leave. Once you receive donated leave, you may only use it for the medical emergency for which you were approved as a leave transfer recipient.

- ☎ Call the ERC to:
- Locate your local Leave Bank Coordinator.
- ☎ Call the Employee Connection to:
- Order Form 9058, *IRS Leave Bank Program Membership/Contribution Form* (menu 3), and
  - Learn the dates of Leave Bank open season (menu 8).

If you have use or lose annual leave at the end of the year and you would like to see it used for a good cause, contact your local Leave Bank/Leave Transfer Coordinator.

## TARDINESS

You are expected to report to work on time, but your manager may excuse occasional tardiness. If you are late for work, your manager will decide whether to grant a leave request for the time, depending on the circumstances. If your manager does not excuse your tardiness, you will be considered to be in an Absence Without Leave (AWOL) status.

## HOLIDAYS


### Official holidays

The following 10 official holidays are nonwork days with pay and do not affect your leave balances. You must be in pay status either immediately before or after the holiday to be paid for the holiday.

New Year's Day.....	January 1
Martin Luther King's Birthday .....	Third Monday in January
Presidents Day.....	Third Monday in February
Memorial Day.....	Last Monday in May
Independence Day.....	July 4
Labor Day .....	First Monday in September
Columbus Day .....	Second Monday in October
Veterans Day.....	November 11
Thanksgiving Day .....	Fourth Thursday in November
Christmas Day .....	December 25

The type of schedule you work determines which day is your nonwork day.

Work schedule	Holiday falls on:	Your holiday is:
Full-time consisting of five workdays, Monday through Friday, eight hours each day in each administrative workweek	a workday	that workday
	Saturday	the Friday immediately before
	Sunday	the following Monday
Full-time consisting of five workdays other than Monday through Friday	Sunday nonwork day	the next scheduled workday
	a nonwork day other than a Sunday	the immediately preceding scheduled workday
5/4-9 or 4/10	a day scheduled as your workday	that workday
	Sunday nonwork day	the next scheduled workday
	a nonwork day other than Sunday	the immediately preceding scheduled workday

 Call the ERC if you have questions about your leave.

### Working on an official holiday

If your manager directs you to work on an official holiday, you will be paid holiday premium pay.

→ See the *Pay* chapter for more information.

### Forms relevant to leave

Name of form	Available from
SF-71, <i>Application for Leave</i>	Your manager
Form 9058, <i>IRS Leave Bank Program Membership/Contribution Form</i>	Employee Connection, menu 3
Form 9610, <i>Record of Approved Leave, Family Medical and Leave Act</i>	Your manager
Form 9611, <i>Application for Leave Under the Family Medical and Leave Act</i>	Your manager



# Work Schedules

*Work schedules refer to the hours you actually work during a bi-weekly period (excluding lunch or other breaks you may have) for which you are paid.*

## Types of work schedules

Depending on your job, you may have a work schedule that is:

- Full time,
- Part time (including *sharing* a job),
- Seasonal (can be full time or part time), or
- Intermittent (unscheduled work which is considered neither full time nor part time).

## Special considerations

Your manager will approve a work schedule that allows you to pursue career development opportunities that he or she has determined may improve your job skills. This is subject to work requirements.

Regardless of your work schedule, your personal religious beliefs may require your absence from work during certain periods of time (including any commuting time). In these cases, compensatory overtime work for a religious observance may be approved by your manager in increments of 15 minutes. If you need to take compensatory time off for a religious observance, you should give your manager 15 days advance notice whenever possible.

## FULL TIME

Full-time employees may work:

- An alternative work schedule or
- A traditional fixed work schedule (e.g., 8 hours per day, 40 hours per week).

You and your manager should decide what is appropriate for you and how often you may change your work schedule or the starting and stopping time of your work schedule.

## Alternative work schedules (AWS)

AWS schedules are:

- 5/4-9,
- 4/10, or
- Flexitour with credit hours.

Alternative work schedules must be authorized by a locally negotiated agreement.

5/4-9 includes eight workdays of nine hours each, one workday of eight hours, and one nonwork day during a pay period.

4/10 includes four workdays of ten hours in each administrative workweek of a pay period.



→ See the *Pay* chapter and the section on *Working for other than pay* for more information on credit hours.

Employees on 5/4-9 or 4/10 work schedules may not earn credit hours.

*Flexitour with credit hours* includes a basic work requirement of five workdays of eight hours each in each administrative workweek of a pay period. It also includes the ability to work, with your manager's approval, additional hours called *credit hours*.

You can earn a maximum of two credit hours on each regularly scheduled workday and up to 10 credit hours on nonwork days (excluding holidays). Credit hours may not be worked on a holiday unless allowed by local agreement. You may earn and use credit hours in one-hour increments. From pay period to pay period, a full time employee may carry forward a maximum of twenty-four credit hours. Part time employees may carry forward 1/4 of the number of hours in their normal tour of duty. If you worked approved credit hours before your normal tour of duty and you are released on excused absence due to the office closing during the day, you have still earned the credit hours.

If you work a flexitour work schedule, you and your manager should work together to establish a daily tour of duty that is mutually acceptable and meets all locally established requirements.

#### Traditional fixed work schedule (staggered work hours)

This is a work schedule that includes a regularly scheduled tour of duty of 10 workdays of eight hours each during a pay period. If you choose to work this schedule, you must establish your tour of duty in advance and continue until the periodic opportunity to change. You may not work credit hours on this schedule.

Your manager will change your tour of duty if you are a night shift employee and have been scheduled to attend training outside of your regular tour of duty.

#### Special tours of duty

Employees may, subject to workload requirements, establish a special tour of duty (e.g. a split shift) to enable the employee to pursue career development opportunities, or for other reasons (e.g. child care, volunteer activities).

## SEASONAL

Seasonal employees may be either full time or part-time, and work either a traditional fixed work schedule or an alternative work schedule (see definitions above). If you are a seasonal employee, you have a regularly scheduled tour of duty while you are in pay status. Your work schedule is set in advance by management. Seasonal employees may work full time or part time. → See the *Insurance* and *Nonpay Status* chapters for more information.

## INTERMITTENT

If you have been employed to work on this type of work schedule, you have no regularly scheduled tour of duty. The nature of your work is sporadic and unpredictable and a tour of duty cannot be regularly scheduled in advance.

If the conditions of your position change and this type of work schedule is no longer appropriate, your manager will discuss with you the tour of duty you prefer under the appropriate full- or part-time work schedule. Employees on intermittent schedules do not earn leave.

## JOB SHARING

Job sharing is a type of part-time employment where two or more individuals share a single full-time position. Job sharers normally perform the same duties.

Work schedules for job sharers include but are not limited to:

- Split days (one job sharer works mornings and the other afternoons) or
- Split weeks (one job sharer works three days a week and the other works two days a week).

Unless just cause can be demonstrated, your request to share a position with another employee will be granted. If it is denied, your manager will give you a written statement citing specifically why your request was denied, if you request it.

→ Because job sharing is essentially part-time employment, the rules governing part-time employment apply and you should read the next section.

## PART TIME

Part-time employees may work either a traditional work schedule or an alternative work schedule (see definitions below). Part-time employment (which includes job sharing) is more complicated than simply working fewer than 40 hours per week. There are very specific regulations that govern part-time employment. Additionally, working part time affects many of your benefits, including your pay, retirement, leave, length of service credit, and any Federal health insurance coverage.

→ These regulations and each of these benefits are discussed here, but you may also have to refer to other chapters of this *Guide* where indicated.

### Who can work part time

Most employees can work part time if they choose to. Because the IRS' policy is to make maximum use of available human resources, the Service provides part-time employment opportunities for employees at all grade levels, subject to agency resources and mission requirements.

Deciding to change your work schedule from full time to part time or to reduce the number of part-time hours you are scheduled to work is voluntary. Unless just cause can be demonstrated, your request to work part time or reduce the number of hours you work will be granted. If it is denied, your manager will give you a written statement citing specifically why your request was denied, if you request it.

### Converting to a full-time schedule

If you have accepted or converted to a part-time schedule from a full-time schedule, you will be returned at your request to a full-time schedule, absent budgetary limitations.

### Part-time employment regulations

The Federal Employees Part-Time Career Employment Act (PTCA) applies to employees serving in either the competitive service or the excepted service and on a permanent (career, career-conditional, excepted, or excepted-conditional) appointment and to all occupations and authorized positions through GS-15 or equivalent. This Act does not cover:

- Temporary employees,
- Employees who were appointed or converted to part-time work schedules to meet work or mission requirements; and when possible, to assist the employee in meeting short or long term family needs,
- Intermittent employees, or
- Employees who had permanent appointments and were working part-time on April 7, 1979, for as long as they continue to work part time without a break in service.

### Hours worked

Under the PTCA, working part time consists of working between 16 and 32 hours a week. The actual hours you work should be regular and set in advance with your manager's concurrence. Your work hours will be documented on an SF-50, *Notification of Personnel Action*, that your Transactional Processing Branch provides to you. You may work an equal or varied number of hours per day. Law or Office of Personnel Management regulations prohibit you from working more than 32 hours per week. However, if your manager approves, you may occasionally do so when special circumstances occur, such as for training purposes or to meet heavy workloads, but not for more than two consecutive pay periods.

There is one exception. Any employee who was on a permanent, part-time schedule before April 8, 1979, may work any amount of hours fewer than 40 hours per week as long as the employee remains in that or any other permanent part-time position without a break in service.

### Pay

Your *gross pay* is figured by multiplying your hourly rate of pay by the number of hours you worked during a pay period.

*Deductions* for Federal and state tax withholding, retirement, Thrift Savings Plan contributions, and Social Security (for FERS and CSRS Offset employees) are prorated according to your gross pay.

Overtime is considered work in excess of eight hours in a day or 40 hours in a week. Pay for overtime is subject to statutory and regulatory overtime requirements. Whether your position is exempt or non-exempt from the Fair Labor

Standards Act will determine how your overtime is computed. → See your manager for additional information.

You will be paid for a *holiday* when that holiday falls on a day that you are regularly scheduled to work. However, you must be in pay status immediately before or after the holiday to receive pay. You are entitled to holiday pay if it is a regularly scheduled work day and you are required to work that day.

Part time employees are not entitled to *Sunday premium pay*.

You are entitled to night pay differential of 10% of your basic pay if you work between 6:00 p.m. and 6:00 a.m. as part of your regular tour of duty or if the work was assigned before the beginning of the workweek in which the night work is performed.

#### Length of service credit

Part-time employees receive the same service credit as full-time employees when computing time for:

- Eligibility for retirement,
- Acquisition of career tenure,
- Completion of probationary period,
- Within-grade increases,
- Changes in leave category, and
- Time-in-grade restrictions on advancement.

However, there are some differences in the way length of service credit is figured in some instances:

- Crediting periods of leave without pay. Call the Employee Resource Center for specific information.
- Meeting qualification requirements for placement or promotion. For this, service credit for part-time work is prorated according to the percentage worked of a full-time schedule.
- Credit for all civilian and military service performed for the Federal government. The type of appointment—temporary, indefinite, permanent, competitive or excepted—does not affect how creditable civilian service under the Civil Service Retirement System (CSRS) is computed. However, credit is not allowed under the Federal Employees' Retirement System (FERS) for post-1988 service for which deductions are not withheld from pay.

#### Retirement

As was just mentioned under *Length of service credit*, it doesn't matter whether you are covered by CSRS, CSRS Offset, or FERS: you receive full-time length of service credit for part-time employment when your eligibility for retirement is determined.

However, your retirement annuity will be pro-rated. A retirement annuity is generally based on length of service and your highest average annual pay for any three consecutive years (called your *high three*). As a part-time employee,

→ See the *Retirement* chapter for additional information about how annuities are computed.

your computation will include a pro-ration factor which is determined using the method shown below based on whether you are covered under CSRS/CSRS Offset or FERS.

If you are covered under CSRS or CSRS Offset, and you have been part-time at any time since April 7, 1986, your length of service is calculated using two computations, as follows:

1. your total service credit (full and part-time) prior to April 7, 1986.
2. your total service credit (full and part-time) after April 6, 1986.

The pro-ration factor only affects service credit after April 6, 1986 for CSRS and CSRS Offset employees. The pro-ration factor is determined by the total service credit accumulated for the period after April 6, 1986 being divided by the total service credit possible for a full-time person during the same period. If you are CSRS or CSRS Offset, and you have NOT worked a part-time work schedule since April 7, 1986, your annuity computation will be computed the same as a full-time employee.

→ See the *Retirement* chapter in this *Guide* for examples of the impact part-time service can have on your retirement annuity and additional information.

If you are covered under FERS, your annuity is pro-rated according to the number of part-time hours you worked at any time in Federal service. The pro-ration factor for FERS is determined by dividing your total accumulated service credit (full and part-time) covered under FERS by the total service credit possible for a full-time person covered under FERS during the same period.

**IMPORTANT NOTE:** If you are considering going part-time, it is highly recommended that you contact a Retirement Specialist to determine the impact your part-time schedule will have on your annuity at retirement — *it can amount to a significant reduction*. Call the ERC to speak to a Retirement Specialist.

#### Leave

→ You should see the *Leave* chapter in this *Guide* to see how your sick, annual, and other leave (such as military leave) is calculated.

However, there are some conditions regarding leave and part-time employment that are not in that chapter:

- To earn leave during any pay period, you must be regularly scheduled to work during part of each week of that pay period.
- Any regular hours (not to include overtime, compensatory time earned, or credit hours) you work beyond your normal tour of duty (but no more than 80 hours per pay period) will be used to figure how much leave you earn.
- You will only be charged leave for normally scheduled hours that you are absent.

#### Health insurance coverage

If you are enrolled in the Federal Employees Health Benefits (FEHB) program, how much you pay for your premiums may be different than what full-time employees pay.

- If you served under permanent appointments with part-time tours of duty before April 8, 1979, and have continued to do so without a break in service, the Service contributes the same amount for health insurance coverage for you as it does for a full-time employee, and your premiums are determined by the plan you choose.
- If you became a permanent, part-time employee with a tour of duty between 16-32 hours a week, on or after April 8, 1979, the amount the Service contributes toward the cost of health insurance coverage is determined by comparing the number of hours per pay period you are scheduled to work with the number of hours a full-time employee works. For example, if your tour of duty is 20 hours a week (40 hours per bi-weekly pay period) and you are enrolled in an FEHB plan for which the full Service contribution is \$60.00 bi-weekly, you will receive *one-half* (or \$30.00) of the Service's contribution toward the cost of coverage, since you are working one-half of a full-time tour of duty.

If you are enrolled in the same plan and you work 30 hours per week or three-quarters of a full-time tour of duty, you will receive three-quarters (or \$45.00) of the Service's contribution toward the cost of coverage. You will pay the difference between the full cost of health benefits coverage and the Service's contribution, in addition to your premium (which is determined by the plan you choose).

## FLEXIPLACE

- Get the IRS/NTEU NORD/NC VI Agreements:
- From Employee Connection (menu 3),
  - On the IRS Intranet at [www.hq.irs.gov](http://www.hq.irs.gov)

Flexiplace is a program that permits employees to work at home or at other approved locations instead of at a conventional office site. The terms *flexiplace* and *telecommuting* are synonymous and include working at home, in satellite office sites, or in other approved work sites.

- You should see Article 50 of the IRS/NTEU National Agreements for details on the IRS flexiplace program, including:
- Who is eligible,
  - Employee and management responsibilities,
  - How work schedules, space, and furniture and equipment are treated, and
  - Items subject to local flexiplace negotiations.




# Employee Services

## The IRS Employee Assistance and Work-life, and Health Services Programs

*The IRS has contracted with ComPsych Corporation to provide its Employee Assistance and Work-life Program to you and your family. The Employee Assistance and Work-life Program's goal is to help families overcome stressful life issues and personal concerns. All contact with, and services provided under this program are completely confidential.*

*The program includes the following components:*

### EMPLOYEE ASSISTANCE PROGRAM (EAP) AND WORK-LIFE PROGRAMS

 Call the EAP at  
 (800) 977-7631;  
 TTY (800) 697-0353.

For law enforcement  
 employees only call the  
 EAP at (888) 270-8958.

The EAP provides telephonic and in-person clinical services to help you and your family address stressful life issues and personal concerns. The program is available to IRS employees and their families, 24 hours per day, 7 days per week. You are entitled to up to four counseling sessions per year for each presenting issue. You can meet in person with a counselor in your community or with a member of ComPsych's IRS phone counseling staff. This confidential service is free of charge to you and your immediate family. You will need to pay for any counseling sessions beyond this limit.

The EAP can help you deal with a variety of concerns including:

- Marital and family conflicts
- Grief and loss
- Drug and alcohol abuse
- Major life change
- Career transitions
- Anxiety and stress
- Physical or emotional abuse

An EAP counselor is ready anytime to listen sensitively to your concerns and refer you if needed to community services for you and your dependents. During your scheduled sessions, your experienced EAP counselor will discuss your situation and help you develop a solution-focused plan of action.

You can call the EAP yourself or be referred by your manager or union steward, or your Labor Relations or Health Unit staff. (A referral to the EAP is one way of ensuring that a work group's productivity remains high though an employee in the work group is experiencing problems.) Sessions with an EAP counselor can be over the phone from your office or home or in person with a local therapist.

#### Privacy issues

Your participation in the EAP is confidential. However, if your manager or union steward formally refers you to the EAP, the manager or steward can call the EAP to see if you attended the session and request an assessment of how much work time will be needed for your continuing counseling or rehabilitation. The counselor cannot discuss any additional information because that information is covered by the Privacy Act.



### Using leave for EAP Services

You are allowed up to one hour of excused absence for each telephone session (up to four sessions) to talk with an EAP counselor per issue that you have. You are also allowed one hour plus travel time of excused absence to see a local counselor in person (up to four sessions). You will need to use your own leave if you need additional counseling beyond the four sessions.

### Changing Counselors

If you are participating in the EAP and you do not like your counselor, you will be given another one immediately.

### Management Consultation Services

Managers (or union stewards) who have concerns about a specific employee whose conduct or personal problems are affecting his or her performance and the performance of the work group can call the EAP to request a management consultation. Specially trained consultants will help managers refer their employees experiencing problems to the EAP.

Managers may contact the EAP directly to arrange for critical (traumatic) incident services. A critical incident is a traumatic event that involves or directly impacts the workplace. Specialists help managers develop an action plan to respond to a specific incident. This can include on-site debriefings and counseling services.

### FamilySource®

The challenge of caring for a young child or an elderly relative can contribute to stress. It's reassuring to know that there is a resource you can turn to for practical information, sound answers and reliable support. FamilySource® provides consultation, information and referral to local resources on family matters including:

- Becoming a parent
- Choosing a day care program
- Planning for college
- Finding quality care for an elderly relative
- Understanding Medicare

FamilySource® also includes convenience services. Employees may contact ComPsych for research and referral for a variety of convenience services.

**Employees should be aware that FamilySource® is for information and referral service only — it does not make recommendations or transactions.**

Employees and their family members can now call ComPsych for **information and referrals** on topics such as:

1. Home Improvement: repair and renovation, appliance repair, lawn care, gardening, etc.
2. Home Maintenance: home cleaning services, exterior (windows, siding, etc.) cleaning and maintenance, house sitting, etc.
3. Car Maintenance: mechanics, auto body repair, routine maintenance, etc.

4. Errands: errand and shopping services, etc.
5. Moving/Relocation: apartment hunting, buying/selling a home, cost of living analysis, real estate lawyers, mortgage information, housing prices, school districts, demographics, cultural and recreational organizations, etc.
6. Shopping: cars, appliances, insurance, computers, flowers, gifts, etc.
7. Special interest groups: book clubs, nature walks, professional, hobby and recreational affiliation groups, etc.
8. Event Planning: special/local/national sports and entertainment events, restaurant referrals, fitness/recreational activities and lessons, etc.
9. Vacation planning: special interest vacations (adventure trips, cultural tours), family vacations, singles orientated trips, etc.
10. Lessons: sports, languages, music and arts, etc.
11. Government Services: driver's license, passports, government agency information, etc.

FamilySource® is available to you and your family 24 hours a day, seven days a week.

#### LegalConnect®

Everyone faces a legal issue or problem at some time in his or her life, whether it's a divorce, bankruptcy, or buying real estate. LegalConnect® provides immediate, confidential access to attorneys who are dedicated to providing practical, understandable information and assistance. A LegalConnect® attorney is there to listen sensitively to your concerns and provide helpful information and tools to assist you in resolving the issue. Call anytime with legal issues including:

- Divorce and family law
- Debt obligations
- Landlord and tenant issues
- Real estate transactions
- Bankruptcy
- Criminal actions
- Civil lawsuits
- Contracts

#### FinancialConnect<sup>SM</sup>

Financial issues can arise at any time, from dealing with debt to saving for university studies. FinancialConnect<sup>SM</sup> professionals are there to discuss your concerns and provide you with the tools and information to meet your financial goals. From family budgets and tax questions to credit issues and investments, you can consult with financial specialists about your personal money management questions and receive the information you need to make the best decisions. Call your Guidance Coordinator when you have issues, such as:

- Saving for university
- Retirement planning
- Estate planning
- Getting out of debt

- Credit cards or loans
- Tax questions

#### GuidanceResources Online<sup>SM</sup>

With Internet access, you can research a topic before seeking professional help. GuidanceResources Online gives you the power of the Internet to find solutions for the issues that matter to you most. Go online to receive expert information, resources and referrals on behavioral health, dependent care, legal or financial matters.

To access GuidanceResources Online just go to [www.GuidanceResources.com](http://www.GuidanceResources.com), log on as a new user and enter your IRS ID (IRS112) when prompted.

#### Who can participate

All IRS employees and their *immediate family members* can use the Employee Assistance and Work-life Program. *Immediate family members* include non-custodial children and individuals living together in a family-like relationship. Coverage is also provided for IRS employees located overseas.

#### Contacting the IRS Employee Assistance and Work-Life Program

To contact the IRS Employee Assistance and Work-Life Program simply dial the toll-free number 1-800-977-7631 (TTY: 1-800-697-0353). A counselor is available to speak with you 24 hours a day, 7 days a week.

Because of the special stresses law enforcement personnel face daily, the IRS has set up a special toll-free number for members of the Criminal Investigations Unit. IRS Law Enforcement personnel can speak with a counselor with experience in their unique concerns by calling 1-888-270-8958.

Below is a list of the International Toll Free Numbers that can be accessed by IRS employees globally. These numbers will link you directly to an Employee Assistance and Work-Life Program specialist.

In the event that there is not a toll free number for your specific location, you can dial 1-312-595-0074 (collect internationally) and you will be linked to the Employee Assistance and Work-life Program. If you encounter difficulties with any of the toll-free numbers, please use the 1-312-595-0074 collect number.

### Listing of foreign IRS locales and corresponding toll-free numbers.

Dar Es Salaam, Tanzania	1-312-595-0074 (collect internationally)
Ontario, Canada	1-800-272-7255
Bogota, Columbia	980912-1403
Virgin Islands	1-800-272-7255
Paris/Lyon, France	00-800-345-66780
Tbilisi	1-312-595-0074
Germany	00-800-345-66780
Agana, Guam	1-312-595-0074
Italy	00-800-345-66780
United Kingdom	00-800-345-66780
Japan	800-345-66780 (DC=0061, KDD=001, NIT=0041)
Skopje, Macedonia	1-312-595-0074
Mexico	001-888-875-8671
Romania	1-312-595-0074
Singapore	800-1203022
Port of Spain, Chad	1-312-595-0074
Kiev	1-312-595-0074

## HEALTH SERVICES

As a result of agreements between IRS and NTEU, all IRS employees have access to some form of health services, depending on where their office is located. Employees located in a campus or computing center may receive health services from the health units located in the centers. In locations that are managed by IRS, types of services provided may vary, but do include basic services comparable to the Federal Occupational Health (FOH) Basic Occupational Health Center Services (BOHCS) program described below. Additionally, employees located in a Federal building with a health unit can obtain health services and, if uninsured, a physical examination.

### FOH health services

Under the National IRS/FOH Health Services Agreement, employees located in Federal buildings with an FOH Health Center may participate in the BOHCS program. BOHCS participants are entitled to routine, urgent, and emergency treatment on site, which includes a thorough assessment and evaluation of each individual's needs, and may include initial treatment, medication, first aid and/or referrals as appropriate.

At the employee's private physician's request, FOH Health Centers will provide individualized care including:

- Allergy desensitization injections,
- Vitamin B-12 injections,
- Blood pressure monitoring,
- Fingertick blood glucose monitoring,
- Moist heat applications,

- Hormone injections, and
- Wound care.

#### **Uninsured employees**

IRS employees who are uninsured can participate in the FOH Periodic Health Evaluation (PHE) program. The PHE includes a physical examination by an FOH physician; and, if needed or indicated, a tetanus-diphtheria vaccination, electrocardiogram, and glaucoma screening. Uninsured employees who wish to receive a physical examination must go to an FOH Health Center for these services.

#### **Employees at posts of duty (PODs)**

FOH staff provides an ongoing health screening program for POD employees at their worksite if it is located within a 100-mile radius of an FOH Health Center and at least 25 participants are expected. Services include:

- Administering a health-risk appraisal questionnaire to give a personalized health-risk summary,
- Vision screening,
- Blood pressure monitoring,
- Fingerstick blood glucose monitoring for diabetes,
- Influenza vaccinations, and
- Tetanus-diphtheria boosters.

If the POD does not have 25 expected participants, employees may travel to the nearest FOH Health Center. PODs that are relatively close may be combined to reach the required number of 25 employees. Because employee participation is voluntary, you are not entitled to travel and per diem when traveling to the nearest FOH Health Center. Managers may grant employees up to one hour of excused absence to travel. If the travel time is more than one hour, you will have to make up the difference with your own leave.

#### **Smoking Cessation**

Employees who want to quit smoking are encouraged to sign up for the IRS/FOH smoking cessation program. The program offers you four free weeks of nicotine replacement therapy to help kick the habit. To sign up for the program, employees with FOH health unit accessibility should visit or call the health unit nurse. For those employees without access to an FOH health unit, call (206) 615-2440 to request a sign-up form.

#### **Management services**

Because managers are frequently required to make administrative decisions that involve interpreting medical information, FOH is available to provide assistance in these areas, (e.g., Medical Leave Absence, Reasonable Accommodation and Management Directed Medical Examination). As such actions are subject to legal scrutiny, FOH will help negotiate any difficulties these issues present; and will provide expert witness testimony, as well. For medical consultation services, managers should call the Medical Review Officer at (301) 594-0273.

# Your Position

*As an IRS employee, you hold a position that is formally and objectively "classified" into a position description (PD). You will be periodically evaluated in the position you hold.*

## HOW YOUR POSITION IS CLASSIFIED

Positions are classified the same way throughout government. The classification is based on the work that a job requires, not the performance or qualifications of the person who holds the job.


This is the process: A position description (PD) is developed. It is then forwarded to a Position Classification Specialist whose goal is to establish the position's title, series, and grade based on the Office of Personnel Management (OPM) position classification standards. These standards generally contain the following factors:

- Knowledge required by the position,
- Supervisory controls,
- Guidelines,
- Complexity,
- Scope and effect,
- Personal contacts,
- Purpose of contacts,
- Physical demands, and
- Work environment.

→ If you have questions on how a PD is classified, see your manager. He or she will contact the servicing Position Classification Specialist.

The Specialist considers each of these factors as they relate to the PD. Most standards use a factor-point system to evaluate positions. For these standards, each factor is divided into factor levels and assigned points. The specialist determines the factor level that matches the factors in the PD, then totals the factor level points to equal the position's grade. In classifying a PD, some elements are more influential than others, such as difficulty of duties and level of supervision. Other elements do not influence the classification, such as volume of work and time on the job.

### Appealing the title, series, or grade of your PD

If you disagree with the title, series, or grade of your PD, you can appeal it. First, submit the appeal through your manager to the National Classification Center (NCC).  The appeal must be in writing and contain the following information:

- Your name,
- Official duty station,
- Title or organizational segment to which you are assigned,
- Title, series, and grade of current position,
- Title, pay schedule, series, and grade requested,
- A detailed explanation of why you believe the position is erroneously classified, and
- Any facts that may affect the appeal, including reference to any classification standard(s) that may bear on the case.

If you do not agree with the findings, you can file a second and final level of appeal to the National Office, Office of Classification. The results of this second-level classification appeal are final within the Service.

☛ At any time during this process you can file a classification appeal directly to the Office of Personnel Management(OPM). Their decision is final.

#### Requesting a desk audit

Any time you feel that the work you are performing is incorrectly classified or that your position description is inaccurate due to the addition of new duties, you can request through your manager a desk audit from the NCC. The desk audit is similar to an interview and can be performed in person or over the phone.

During the desk audit, you will respond to questions on the work you perform, and you may be required to provide samples of your work. The audit will cover areas such as duties you regularly perform, your level of independence, the degree of supervision you have, the complexity of your job, and judgement required in your job.

☛ The supervisor of the position being audited will also be interviewed before a final decision is made to re-classify the position based on the desk audit.

#### HOW YOU ARE EVALUATED (PERFORMANCE MANAGEMENT)

Performance management is the ongoing process of planning expectations and monitoring, evaluating, and recognizing performance. This systematic process provides the framework for your supervisor to:

- communicate expectations, priorities, and values
- improve employee and organizational performance, and
- outline your developmental needs and responsibilities.

Your performance with the IRS is linked to both the IRS Balanced Measurement System and the IRS mission and objectives. The IRS identified three balanced measures to support its mission and objectives. Your manager will evaluate your performance against the following three balanced measures:

- Employee Satisfaction – create an enabling environment for employees by providing quality leadership, adequate training, and effective support services.
- Customer Satisfaction – provide accurate and professional services to internal and external customers in a courteous and timely manner.
- Business Results – generate a productive quantity of work in a quality manner and provide meaningful outreach to all customers.

### Retention Standard

Your manager will also evaluate your performance on whether you provide fair and equitable treatment to taxpayers, in addition to all other criteria used in evaluating performance.

The fair and equitable treatment of taxpayers is a "Retention Standard" that applies to the entire IRS workforce. A "Retention Standard" is a requirement that describes the level of performance necessary to be retained in a job (i.e., the standard written for performance at the "minimally successful" level).

The above information on the performance management process, the Balanced Measurement System, and the "Retention Standard" applies to all employees who work for the IRS.

The remaining information on "How You Are Evaluated" is presented first, for those employees who are executives, managers, or management officials; and second, for those employees who are core workforce employees.

## KEY FEATURES FOR EXECUTIVES, MANAGERS, AND MANAGEMENT OFFICIALS

### Planning Expectations

The performance management cycle generally begins on October 1 and ends on September 30. Within the first 30 days of the cycle your manager will meet with you to plan expectations to link your individual performance to the organization's program plans. Using your Performance Agreement form you and your manager should jointly develop your "Commitments" to establish critical performance expectations and results.

This Performance Agreement is a multi-part document comprised of Critical Performance Expectations, Midyear Progress Review, and Summary Evaluation.

The three Performance Agreement forms are listed below:

- Form 12450, Executive Performance Agreement
- Form 12450-A, Manager Performance Agreement
- Form 12450-B, Management Official Performance Agreement

These critical expectations consist of three parts: a "Retention Standard", "Responsibilities" (that are common to all), and "Commitments" (that are specific to each).

Part I-A of the above Performance Agreements contains the "Responsibilities" for executives, managers, and management officials. The "Responsibilities" for executives and managers are Leadership, Employee Satisfaction, Customer Satisfaction, Business Results, and Equal Employment Opportunity. The "Responsibilities" for management officials are Program Leadership, Employee Satisfaction, Customer Satisfaction, Business Results, and Professional Expertise.



Descriptions of these "Responsibilities" can be found on each of the above referenced forms.

Part I-B of your Performance Agreement consists of the "Commitments" that you and your manager develop to describe a limited number of critical actions, objectives, and results that you expect to accomplish during the evaluation year. Each "Commitment" should relate to, and support, one or more of the "Responsibilities" listed in the Performance Agreement.

Each executive and manager who has a Program Plan is required to establish a "Principal Commitment" to execute his or her plan. A "Principal Commitment" states what an executive or manager will do to ensure delivery of his or her applicable Program Plan. Listed under the "Principal Commitment" are "Key Indicators of Performance."

You and your manager may modify your "Commitments" during the evaluation period if circumstances warrant. You should make changes at least 60 days before the end of the evaluation period to prevent having to extend the evaluation period.

Part I-C of your Performance Agreement relates to the "Retention Standard" – Fair and Equitable Treatment of Taxpayers. For a further description of the "Retention Standard" see the information previously discussed in this document under Retention Standard. Your signature in Part I-D of your Performance Agreement acknowledges your receipt and understanding of the "Retention Standard".

#### **Monitoring Your Progress**

Your manager will continuously monitor your performance against the "Responsibilities", "Commitments", and "Retention Standard". In addition to ongoing, informal feedback, during the rating period, your manager will conduct a mandatory mid-year progress review of your performance.

This progress review generally occurs in April and should include a meeting with your manager to discuss your progress in meeting expectations. See Part II, Midyear Progress Review, of your Performance Agreement.

#### **• Evaluating Your Performance**

The next step in the performance management cycle is for your manager to evaluate your performance. Your responsibility is to provide your manager a self-assessment of your performance accomplishments of no more than two pages.

Your manager will prepare a summary evaluation of your performance and hold an evaluation meeting with you. Your manager will evaluate your performance against the "Responsibilities", "Commitments" and "Retention Standard" and provide a rating of Exceeded, Met, or Not Met for each of these expectations.

Next, your manager will assign a summary evaluation, that is a single rating for the combined performance of the "Responsibilities", "Commitments", and "Retention Standard". The summary evaluation you can receive is Outstanding, Exceeded, Met, or Not Met.

You can find all rating definitions in your Performance Agreement.

#### Performance Appraisal Due Date

The performance cycle for executives, managers, and management officials generally ends September 30 of each fiscal year. Your manager will complete the evaluation and evaluation meeting within 30 days after the end of the performance period.

#### Recognizing Performance

(See the information contained in this *Guide* under Employee Incentive Program.)

#### Additional Information

Any questions regarding performance management for executives, managers, or management officials should be directed to your local Personnel office.

#### KEY FEATURES FOR EMPLOYEES - BARGAINING UNIT (BU) AND NON-BARGAINING UNIT (NBU) EMPLOYEES (EXCLUDING EXECUTIVES, MANAGERS, AND MANAGEMENT OFFICIALS):

#### Planning Expectations

Within the first 30 days of your performance cycle, your manager will set up a meeting with you to discuss your performance expectations and to provide a Performance Plan to you. During this meeting, you will receive the Position Description (PD) and Critical Job Elements (CJEs) for the occupation you are assigned. In addition, your manager will provide Form 6774, Performance Plan Receipt.

Your manager will sign Form 6774 to certify that he or she has reviewed the position description developed for your assigned position and it accurately reflects the duties of the position. Both you and your manager will sign Form 6774 to acknowledge receipt of the "Retention Standard", the "CJEs", and/or numerical "Aspects".

For a description of the "Retention Standard" - Fair and Equitable Treatment of Taxpayers see the information previously discussed in this document under Retention Standard.

The "CJEs" in your Performance Plan describe a number of critical actions, objectives, and results that you are expected to accomplish during an appraisal year.

A "CJE" is a work assignment or responsibility of such importance that unacceptable performance on the element would result in a determination that your overall performance is unacceptable. "Critical elements" are the only elements upon which "unacceptable performance" actions can be based. These must measure individual, not team, performance.

There are five "CJEs" that cut across all occupations in the IRS. These "CJEs" are:

1. Employee Satisfaction – Employee Contribution
2. Customer Satisfaction – Knowledge
3. Customer Satisfaction – Application
4. Business Results – Quality
5. Business Results – Efficiency

The definitions of the "CJEs" are the same for all and can be found on your Performance Plan.

Each "CJE" consists of three or more "Performance Aspects" – additional components that further define the meaning of "CJEs" and demonstrate the expected performance for the "CJE". For example, Employee Satisfaction – Employee Contribution has three "Performance Aspects" that are the same for all employees:

- Workplace Interaction
- Workgroup Involvement
- Workplace Environment

"Performance Aspects" for the remainder of the "CJEs" will vary by occupation. Your manager will rate your performance on the applicable "Performance Aspects" for each "CJE".

The five "CJEs" reflect IRS values and are used to measure your performance. Your supervisor will measure your performance against specific standards called "Performance Level Definitions". While the "CJE" definitions describe what performance employees must demonstrate, the "Performance Aspects" and standards describe how well the performance must be accomplished. The three performance levels used to measure "CJEs" are:

- Exceeds
- Meets
- Fails

### Monitoring Your Performance

Your manager will continuously monitor your performance against the "CJEs", "Performance Aspects", and "Retention Standard". In addition to ongoing, informal feedback, during the rating period, your manager will conduct a mandatory mid-year progress review of your performance. This progress review generally occurs at the mid point of the rating period and will include a discussion on the progress you are making on meeting your expectations.

### Evaluating Your Performance

Your manager will evaluate your performance against the "CJEs" of your position for the rating period. The rating for each "CJE" will be based upon a review and consideration of all "Performance Aspects" of the CJE, using the following scale:

- Outstanding: (5)
- Exceeds Fully Successful: (4)
- Fully Successful: (3)
- Minimally Successful: (2)
- Unacceptable: (1)

You will also receive an overall summary rating. Using the following scale, the summary rating provides a single rating for the combined performance against "CJEs" and the "Retention Standard":

- Outstanding
- Exceeds Fully Successful
- Fully Successful
- Minimally Successful
- Unacceptable

### Performance Appraisal Due Dates

Employees' performance appraisal due dates are based on the last digit of their Social Security Number (SSN).

Managers will complete Form 6850, Performance Appraisal and Retention Standard Rating, at the end of your annual performance period, provided that he or she observed your performance for 60 days or more against your Performance Plan. Your responsibility is to provide your manager a self-assessment of your performance accomplishments during the final 30 days of your rating period.

Below is an appraisal schedule for bargaining/non-bargaining non-management official employees.

Last digit of SSN	Annual performance period ends	Appraisal due date to employee
0	September 30	October 31*
1	October 31	November 30*
2	November 30	December 31
3	December 31	January 31
4	January 31	February 28
5	February 28	March 31
6	March 31	April 30
7	April 30	May 31
8	May 31	June 30
9	June 30	July 31

No appraisals are due in August or September.

Your manager will complete your annual employee appraisal within 30 days of the end of your rating period, provided he or she observed your performance against your Performance Plan for 60 days or more.

#### **Recognizing Performance**

(See the information contained in this *Guide* under Employee Incentive Program.)

#### **Additional Information**

Any questions regarding performance management for employees should be directed to your local Personnel Office.

Additional information is also available on the following website:

<http://shr.web.irs.gov/cje>


# Employee Incentive Programs

*Employees are often rewarded for the ideas they have and for the work they do.*

## THE EMPLOYEE SUGGESTION PROGRAM

→ Your manager can give you more information on awards. Also, check the AWSS on the IR Web.

Employees may have recommendations to improve the efficiency or effectiveness of government services or operations.

 If you have such a recommendation, you should submit it in writing through your business unit Employee Suggestion Program Coordinator using Form TDF 64-51.1, *I suggest*, which may be found on the IR Web by selecting "Forms/Pubs/Docs", then selecting "Common Use Internal Forms" under Forms, and finally selecting "misc Forms" or Employee Connection, menu 3.

Suggestions will be evaluated to determine the costs, benefits, advantages, disadvantages and feasibility. If adoption is recommended, the employee is eligible for a suggestion award equal to 25% of the Service's estimated first year verifiable net tangible benefits, or an award based on intangible benefits, or an award based on both tangible and intangible benefits.

## AWARDS

→ You can get a Form TDF 64-51.1, *I Suggest*, from Employee Connection (menu 3).

The IRS values exceptional individual and group or team achievements and may grant monetary, honorary, and informal recognition for employee accomplishments.

*Monetary awards* may be granted to employees to recognize high levels of performance based on their performance appraisals or for notable employment-related *special acts or service*, or in connection with specialized award programs.

At management's discretion, a monetary award may be granted to an employee in one of three forms:

- As cash only,
- As time-off only, or
- As a combination of cash and time-off.

*Honorary awards* like certificates, plaques, and other recognition items, may be granted for achievements along with or separately from cash awards. Service executives also sponsor special honorary awards such as the Commissioner's Award or a Director's Award. Other honorary awards are unique to particular IRS organizations.

*Departmental honor awards* are granted by the Secretary of the Treasury to recognize public service excellence. These awards are given personally during the Secretary's annual awards ceremony in Washington, D.C. The Albert Gallatin Award is given upon the retirement or death of a Federal employee who serves 20 or more years in the Department and whose records reflect fidelity to duty. It is the highest career service award granted.

Many organizations outside of government sponsor awards to recognize achievements in the public sector. These prestigious honors normally require nomination by a Service executive and concurrence by the Business Unit Head and/or the Commissioner.

The Department of the Treasury Award Program Planning Guide is the vehicle for planning purposes for awards. It is found on the IR Web under AWSS. Open award nomination announcements are circulated through External Awards Program coordinators to Service executives and are also posted to the IR Web under AWSS.

# Insurance

*Federal Employees' Group Life Insurance (FEGLI) is government-sponsored life insurance for Federal employees, and the Federal Employees Health Benefits (FEHB) program is government-sponsored health insurance for Federal employees.*

## LIFE INSURANCE

Call the Employee Resource Center to:

- Talk to a Retirement Specialist to report the death of a family member,
- Talk to a Retirement Specialist about AD&D claims, Living Benefits, and Assignment,
- Get general information about the FEGLI program.

Call the Employee Connection to:

- Request forms you may need (menu 3),
- Obtain your life insurance proceeds estimate (menu 5), and
- Get the address of your of TPB (menu 9 or see this *Guide's Appendix*).

→ FEGLI information is also available on the Internet at [www.opm.gov/insure/life/index.htm](http://www.opm.gov/insure/life/index.htm).

### Who is eligible

Generally, Basic Life Insurance coverage is *automatic* if you:

- Have a permanent appointment or convert to a permanent appointment,
- Are a permanent, part-time employee, or
- Are in a position with Federal retirement coverage or are on a temporary appointment exceeding one year.

If you are a *seasonal* employee, you are eligible to enroll in the FEGLI if your manager certifies that you are expected to work at least six months in a year. The six months do not have to be consecutive. You must enroll within 31 days of this certification, using the procedures described later under *How to enroll*.

→ You should see the *Nonpay Status* chapter to see what happens to your FEGLI coverage when you are furloughed.

→ There are other events that allow you to enroll in FEGLI. See the *FEGLI Enrollment Opportunities* chart in this *Guide's Appendix*.

*Automatic* means that you will be covered by Basic (only) and premiums will be deducted from your pay unless you waive it within the first pay period that you are eligible for the coverage. To waive coverage, complete Part 5 of SF-2817, *Life Insurance Election Form (Federal Employees' Group Life Insurance)*, and submit it to your Transactional Processing Branch (TPB).

If you waive or cancel coverage (this also applies to seasonal employees), you are not eligible to enroll until one year has passed, you complete SF-2822, *Request for Insurance (Federal Employees' Group Life Insurance)*, and you present evidence of insurability (from the *FEGLI Enrollment Opportunities* chart in this *Guide's Appendix*), or an open season enrollment period is in effect. FEGLI open seasons are sporadic.

### Types of coverage

The program offers Basic Life Insurance coverage plus three types of Optional coverage: Option A, Standard Life Insurance; Option B, Additional Life Insurance; and Option C, Family Life Insurance.

The amount of Basic Life Insurance coverage is equal to your annual basic pay rounded to the next \$1,000, plus \$2,000. If you are a part-time employee, the amount of Basic Life Insurance coverage is equal to your actual rate of annual basic pay rounded up to the next \$1,000, plus \$2,000, but never less than \$10,000. There is an extra benefit for employees under age 45. This extra benefit doubles the amount of life insurance payable if you are age 35 or



younger. Beginning on your 36th birthday, the extra benefit decreases 10% each year until, at age 45, there is no extra benefit.

☛ You must be enrolled in Basic Life Insurance to elect any of the options.

*Option A, Standard Life Insurance*, is an additional \$10,000 added to your Basic Life Insurance amount.

*Option B, Additional Life Insurance*, is an amount equal to one, two, three, four, or five times your annual basic pay (after rounding up to the next \$1,000).

*Option C, Family Life Insurance*, is an amount equal to one, two, three, four, or five times the following amounts for *eligible* family members (see definition below): \$5,000 for your spouse and \$2,500 for each eligible dependent child.

*Accidental death and dismemberment (AD&D) insurance* provides additional funds in the event of a fatal accident or an accident that results in the loss of a limb or eyesight. For benefits to be paid, the death or loss must occur within 90 days after the accident and be a direct result of bodily injury sustained from that accident, independent of all other causes. AD&D insurance is included in Basic at no additional cost. It does not include the Extra Benefit and is equal to your Basic Insurance Amount. AD&D is also included in Option A at no additional cost and is equal to \$10,000. ☛ To file a claim, use Form FE-7, *Claim for Accidental Dismemberment Benefits*, available by calling the ERC.

The Office of Federal Employees' Group Life Insurance (OFEGLI) will not pay AD&D benefits if your death or loss in any way results from, is caused by, or is contributed to by:


- physical or mental illness;
- the diagnosis of or treatment of physical or mental illness;
- ptomaine or bacterial infection. (However, OFEGLI will pay AD&D benefits if the loss is caused by an accidentally sustained external wound);
- hernia, no matter how or when sustained;
- a war (declared or undeclared), any act of war, or any armed aggression against the United States, in which nuclear weapons are actually being used;
- a war (declared or undeclared), any act of war, or any armed aggression or insurrection in which you are in actual combat at the time bodily injuries are sustained;
- suicide or attempted suicide;
- injuring yourself on purpose;
- illegal or illegally obtained drugs that you administer to yourself; or
- driving a vehicle while intoxicated, as defined by the laws of the jurisdiction in which you were operating the vehicle.

See the chart at the end of the FEGLI portion of this chapter for at-a-glance information on:


- Coverage,
- Cost,
- Deductions, and
- Effective dates.


#### Eligible family members

- *Eligible family members* include:
- Your spouse,
- Your unmarried dependent children under age 22, including legitimate children, legally adopted children, children born out of wedlock (to whose support you make regular and substantial contributions or for whom a court has ordered you to pay support), stepchildren, recognized natural children, or foster children living with you in a regular parent-child relationship. A grandchild may be covered if the child meets the definition of a foster child (→ see the *Statement of Foster Child Status* in this *Guide's Appendix* which you will need to complete and submit to your servicing Benefits and Services Team (BeST) office). This does *not* include foster children in the legal custody of a state or local government living with you under that government's foster care program for which you receive a subsidy. It may, however, include any child you have living with you whom you expect to raise to adulthood, and
- Unmarried dependent children over age 21 who are incapable of self-support because of a physical or mental disability that began before age 22 and which is expected to last at least one year. → See the *Statement of Child Incapable of Self-Support* in this *Guide's Appendix*.
- A stillborn child is not considered an eligible family member.

 See the *Life Events* and *Your Benefits* chart in this *Guide's Appendix* for actions you may need to take if you:

- Marry,
- Divorce,
- Legally separate, or
- Experience other life events.


 Call the ERC to get the address for your servicing BeST office.

If you acquire another eligible family member while insured for Option C, he or she will be covered automatically.  When you no longer have any family member eligible for this coverage, you must cancel the Option C by completing a new SF-2817, *Life Insurance Election Form (Federal Employees' Group Life Insurance)*. This is not automatic.

#### Cost

The IRS pays one-third and you pay two-thirds of the premium for Basic Life Insurance coverage based on your annual basic pay. You pay the full cost of the premium based on your age for Options A, B, and C.

When you have a birthday that moves you to another age band, the premiums for the age band will become effective the pay period following the pay period in which the birthday occurs.

 Complete the life insurance worksheet at the end of the FEGLI portion of this chapter to determine exactly how much will be withheld from your pay for life insurance coverage.

### Deductions

Deductions from your pay for Basic Life Insurance and Options A, B, and C begin the first pay period in which your coverage is effective.

If you waive life insurance coverage by completing Part 5 of SF-2817 and your TPB receives your waiver during the first pay period in which you are eligible for coverage, there are no deductions. Basic Life Insurance deductions, if begun, stop on the last day of the pay period in which your waiver was received.

### How to enroll

As mentioned before, unless you waive the coverage, Basic Life Insurance is automatic and there is nothing for you to complete.

To choose Option A, B, and/or C after you are already enrolled in Basic Life Insurance, complete SF-2817, *Life Insurance Election Form (Federal Employees' Group Life Insurance)*. Order it through Employee Connection (menu 3) and return it to your TPB. It must be received within 31 days of your appointment to an eligible position.

☛ If you participate in the FEGLI, be sure to designate your beneficiary(ies). See the *Designating Beneficiaries* chapter for more information.

### Effective date of coverage

Basic Life Insurance coverage is effective on your first day in pay and duty status. Because Basic Life Insurance is automatic unless you waive it and file the waiver with your TPB before the end of your first pay period, a FEGLI deduction will show on your first Earnings & Leave Statement. If you decide to waive your coverage later on, the waiver becomes effective on the last day of the pay period in which it was received with your TPB. For Options A, B, and C, coverage is effective on your first day in pay and duty status on or after your TPB receives your SF-2817.

### Assignment

*Assignment* is the transfer of ownership of life insurance to another individual, corporation, or trustee. You are still the insured person, but you no longer own the insurance; it now belongs to the assignee.


A court order can require an employee or retiree to assign his or her FEGLI coverage to a former spouse or children. Court orders preempt the statutory Federal Order of Precedence (FOP) for paying benefits under FEGLI. This means that if there is a qualifying court decree, order or applicable property settlement on file in the employees Official Personnel Folder (OPF) that names someone to receive the FEGLI life insurance proceeds, that determines how payment will be made. Contact a Retirement Specialist by calling the ERC for more information on court-ordered entitlements.


Assignment is voluntary and once you make an assignment it is *irrevocable*; you cannot cancel your assignment if you change your mind. You can assign Basic Life Insurance and Options A and B, if you have those options. You *cannot* assign AD&D or Option C.

If you elect a *partial* Living Benefit (discussed in the next section), you may later assign all remaining Basic and/or Optional Life Insurance. If you elect a *full* Living Benefit, you can later assign Optional Life Insurance. You *cannot* elect Living Benefits if you have already assigned your insurance.

People make assignments:

- To comply with a court order upon divorce,
- For inheritance tax purposes,
- To obtain cash before death (only for terminally ill and chronically ill persons with a life expectancy of 24 months or less), or
- To pay off debts.

 Make an assignment by completing RI 76-10, *Assignment of Federal Employees' Group Life Insurance*, available through Employee Connection, menu 3, and submitting the completed form to your TPB.

 Call the ERC to get the address of your servicing Transactional Processing Branch.

An assignment *automatically* cancels your prior designation of beneficiary for life insurance proceeds. Once an assignment is effective, you no longer have the right to designate a beneficiary. Your assignee is now the beneficiary.

If you assign your coverage, it is the assignee who has the right to continue your FEGLI coverage.

Terminally ill employees can assign their insurance to a Viatical Settlement Firm in exchange for cash (an amount lesser than the actual face value of the coverage). If the coverage includes Options A and B, a Viatical Settlement may result in a greater dollar amount paid to the employee while still alive since the FEGLI Living Benefits applies only to Basic Life Insurance.

### FEGLI Living Benefits

*Living Benefits* are life insurance benefits paid to you while you are still living, rather than paid to a beneficiary or survivor when you die. A Living Benefit can be either partial or full. Contact a Retirement Specialist by calling the ERC for more information.

You may elect to receive a lump sum payment of your Basic Life Insurance if you are terminally ill and have a documented medical prognosis that your life expectancy is nine months or less.

Only the terminally ill person can apply for a Living Benefit. A guardian, someone with power of attorney, or any other person cannot apply for a Living Benefit on your behalf.

✍ To apply for Living Benefits, contact the Office of Federal Employees' Group Life Insurance (OFEGLI) at (800) 633-4542. You will be sent an FE-8, *Claim for Living Benefits*, which you should complete and return. The OFEGLI will then fax an FE-8A, *Agency Certification for FEGLI Living Benefits*, to the appropriate BeST site. The BeST site will complete the certification form and promptly return it to the OFEGLI.

Once the OFEGLI approves your application, you will receive a check, along with an explanation of benefits. You can change your mind about electing a Living Benefit until you cash or deposit the check.

☛ The effective date of the Living Benefit election is the date you cash or deposit the check.

#### Losing FEGLI coverage

You lose FEGLI coverage at the following times:

- When you cancel the coverage,
- On the last day of the pay period in which you leave Federal service (unless you retire and are eligible to continue your enrollment), or
- When you have been in nonpay status for 12 months.

NOTE: Your entitlement to a 12-month period of Continued Basic insurance coverage while in nonpay status may be broken by periods of less than four consecutive months in a pay status. If you return to pay status for a period of four consecutive months or more, you start a new 12-month period of Continued Basic insurance.

➔ You should see the *Retirement* and *Nonpay Status* chapters for information on continuing your coverage while retired and while in nonpay status.

When you lose coverage other than by cancellation, the following things happen:

- Your enrollment is terminated,
- Your coverage continues without cost for 31 days after it terminates,
- You can elect to convert to a nongroup, individual policy (➔ see the later section on *Conversion*).

#### Conversion

FEGLI coverage as an *employee* will end when you leave the IRS, complete 12 months in a nonpay status, or retire (and you do not meet the requirements to carry FEGLI into retirement; ➔ see the *Retirement* chapter for more information). If you decide that you still need life insurance coverage, you may want to consider converting your FEGLI coverage to a nongroup, individual policy. You will not have to get a physical exam. You are responsible for finding out whether you qualify to convert your coverage and for getting the necessary forms. The time in which you can convert is limited, so you must act promptly.

The following conditions apply to conversion:

- You cannot convert if your FEGLI coverage terminates and you are

re-employed within three calendar days and are eligible to re-acquire FEGLI.

- The individual policy cannot exceed the life insurance coverage that you held as an employee.
- You can only convert Option C coverage if you have assigned your insurance. (The assignee(s) rather than you, is(are) entitled to convert your Basic, Option A, and Option B coverage.)
- The individual policy cannot be for term insurance, universal life insurance, or any other type of life insurance with an indeterminate premium.
- The individual policy cannot include disability or AD&D benefits.

Insurance purchased under the conversion privilege is a private business transaction between you and the insurance company. The cost of the policy is determined by the insurance company and is based on your age and class of risk.

→ Information about conversion is located on the back of SF-2819, *Notice of Conversion Privilege (Federal Employees' Group Life Insurance)*. All eligible employees will receive a copy of SF-2819, *Notice of Conversion Privilege (Federal Employees' Group Life Insurance)*, when they leave Federal service or complete 12 months in nonpay status.

#### Forms relevant to life insurance

Name of form	Available from
RI-76-10, <i>Assignment of Federal Employees' Group Life Insurance</i>	Employee Connection, menu 3
RI-76-21, <i>Federal Employees' Group Life Insurance, FEGLI Program Booklet</i>	
SF-2817F, <i>Certification Form for a Foster Child</i>	
SF-2817, <i>Life Insurance Election Form (Federal Employees' Group Life Insurance)</i>	
SF-2818, <i>Continuation of Life Insurance Coverage</i>	The package you receive from your Transactional Processing Branch when you leave Federal service
SF-2819, <i>Notice of Conversion Privilege (Federal Employees' Group Life Insurance)</i>	
SF-2822, <i>Request for Insurance (Federal Employees' Group Life Insurance)</i>	Employee Connection, menu 3
SF-2823, <i>Designation of Beneficiary (Federal Employees' Group Life Insurance)</i>	
FE-7, <i>Claim for Accidental Dismemberment Benefits</i>	Call the ERC
FE-8, <i>Claim for Living Benefits</i>	Office of Federal Employees' Group Life Insurance (OFEGLI) (800) 633-4542

#### → More information

You should read these other chapters in this Guide concerning the FEGLI program.

- Retirement (How certain benefits are treated)
- Reemployment After Retirement
- Nonpay Status
- Leaving the IRS
- Death in Service

## At-a-glance information on the FEGLI

	Basic Life Insurance	Option A*	Option B*	Option C*	Waived
<b>Coverage</b>	<p>Full-time employee: annual basic pay rounded to next \$1,000 plus \$2,000.</p> <p>Part-time employee: actual rate of annual basic pay rounded to next \$1,000, plus \$2,000—never less than \$10,000.</p> <p>Extra benefit for employees under age 45 which decreases 10% per year beginning on your 36th birthday.</p>	Additional \$10,000.	Annual basic pay rounded to next \$1,000 multiplied by the multiple you select (1, 2, 3, 4, or 5 times your annual basic pay).	One, two, three, four, or five times \$5,000 coverage for your spouse and \$2,500 coverage for each eligible family member.	X
<b>Cost</b>	Cost: You pay two-thirds of the premium and the Service pays one-third (see the life insurance worksheet).	The premium is based on your age (see the life insurance worksheet).			X
<b>Deductions</b>	Deductions: Begin with the first pay period in which coverage is effective.	Begin with the pay period in which coverage is effective.			If your TPB receives your waiver before the end of the first pay period, there are no deductions. Basic Life Insurance deductions, if begun, stop of the last day of the pay period in which your waiver was received.
<b>Effective date</b>	Effective date: Effective on first day in pay and duty status.	Effective on the first day in pay and duty status on or after SF-2817 is received by employing office. SF-2817 must be received within 31 days of appointment to an eligible position.			If your TPB receives your waiver before the end of the first pay period, the waiver is effective on the date received in that office. After that, the waiver becomes effective on the last day of the pay period in which it was received.

\* You are eligible to elect Optional Life Insurance only if you are first enrolled in Basic Life Insurance. Once elected, you may cancel any one of the options at any time.

## Life Insurance Worksheet

Instructions	How much insurance you have	Instructions	How much it costs																								
<b>BASIC</b>																											
1. Enter your current actual rate of annual basic pay.*	\$	7a. Divide the amount in line 5 by \$1,000.																									
2. If not an even thousand, round up to the next thousand.	\$	7b. If you are paid biweekly, multiply line 7a by \$0.1550. If you are paid monthly, multiply line 7a by \$0.3358. This is how much you pay for Basic (the Extra Benefit based on your age at death is provided at no additional cost to you).	\$																								
3. Add \$2,000.	+\$2,000																										
4. Add the amounts in lines 2 and 3.	\$	<table border="1"> <thead> <tr> <th>Your Age</th> <th>Age Multiplication Factor</th> </tr> </thead> <tbody> <tr><td>35 or under</td><td>2.0</td></tr> <tr><td>36</td><td>1.9</td></tr> <tr><td>37</td><td>1.8</td></tr> <tr><td>38</td><td>1.7</td></tr> <tr><td>39</td><td>1.6</td></tr> <tr><td>40</td><td>1.5</td></tr> <tr><td>41</td><td>1.4</td></tr> <tr><td>42</td><td>1.3</td></tr> <tr><td>43</td><td>1.2</td></tr> <tr><td>44</td><td>1.1</td></tr> <tr><td>45 and over</td><td>1.0</td></tr> </tbody> </table>	Your Age	Age Multiplication Factor	35 or under	2.0	36	1.9	37	1.8	38	1.7	39	1.6	40	1.5	41	1.4	42	1.3	43	1.2	44	1.1	45 and over	1.0	There is no additional cost to you for the Extra Benefit.
Your Age	Age Multiplication Factor																										
35 or under	2.0																										
36	1.9																										
37	1.8																										
38	1.7																										
39	1.6																										
40	1.5																										
41	1.4																										
42	1.3																										
43	1.2																										
44	1.1																										
45 and over	1.0																										
5. Enter the amount in line 4, or \$10,000, whichever is greater.	\$																										
6. Enter the Age Multiplication Factor* (from the table at the right).																											
7. Multiply the amount in line 5 times the amount in line 6. This is the total amount of Basic you have at your present age.*	\$																										
<b>OPTION A – STANDARD</b>		8a. Enter the Option A cost for your age group from the table below. This is how much you pay for Option A.	\$																								
8. Enter \$10,000.	\$																										
<b>OPTION B – ADDITIONAL</b>																											
9. Enter the amount in line 2.	\$	11a. Divide the amount in line 11 by \$1,000.																									
10. Enter the number of multiples you elect (1, 2, 3, 4, or 5).		11b. Enter the Option B cost for your age group from the table below.	\$																								
11. Multiply the amount in line 9 times the amount in line 10. This is the amount of your Option B coverage.	\$	11c. Multiply the amount in line 11a times the amount in line 11b. This is how much you pay for Option B.	\$																								
<b>OPTION C – FAMILY</b>																											
12. You may choose from 1 to 5 multiples of Family Coverage. Each multiple is equal to \$5,000 for your spouse and \$2,500 for each of your eligible children.		12a. Enter the Option C cost for your age group from the table below: \$_____. Enter the number of multiples you want (from 1 to 5): x_____. Multiply the cost by the number of multiples and enter that amount in the box at right.	\$																								
13. Add the amounts in lines 7, 8, and 11. This is the total amount of insurance on your life.	\$	13a. Add the amounts in lines 7b, 8a, 11c, and 12a. This is the total withholding for the life insurance you have on your life and your family.	\$																								

\* The age multiplication factor that is used to calculate death benefits corresponds to your age at the time of your death. You are calculating the amount of insurance that you have at your present age.

TABLE OF WITHHOLDING RATES

Your Age	Basic		Option A - Standard		Option B - Additional <sup>1</sup>		Option C - Family	
	Withholding per \$1,000 Insurance		Withholding for \$10,000 Insurance		Withholding per \$1,000 Insurance		Withholding per Multiple	
	Biweekly	Monthly	Biweekly	Monthly	Biweekly	Monthly	Biweekly	Monthly
Under age 35			\$ 0.30	\$ 0.65	\$ 0.03	\$ 0.065	\$ 0.27	\$ 0.59
35 through 39			0.40	0.87	0.04	0.087	0.34	0.74
40 through 44			0.60	1.30	0.06	0.130	0.46	1.00
45 through 49			0.90	1.95	0.10	0.217	0.60	1.30
50 through 54	\$0.1550	\$0.3358	1.40	3.03	0.15	0.325	0.90	1.95
55 through 59			2.70	5.85	0.31	0.672	1.45	3.14
60 through 64			6.00	13.00	0.70	1.517	2.60	5.63
65 through 69			6.00	13.00	0.70	1.517	2.60 (3.00 <sup>2</sup> )	5.63 (6.50 <sup>2</sup> )
70 and over			6.00	13.00	0.70	1.517	2.60 (3.40 <sup>2</sup> )	5.63 (7.37 <sup>2</sup> )

If rates change, your human resources office will tell you.

<sup>1</sup> These are the 1999 rates. They may change in future years.

<sup>2</sup> effective on your first pay period that starts on or after April 24, 2000



## HEALTH INSURANCE

☎ Call the Employee Resource Center to find answers to :

- FEHB coverage for your children, after divorce, and during nonpay status,
- FEHB coverage for children over 22 who are incapable of self-support,
- How to transfer to Employee Express,
- How to order fee-for-service brochures,
- How to order audio cassettes for the visually impaired,
- Learn the dates of open season, and
- Find the address of your TPB (or see this *Guide's Appendix A*).

☎ Call Employee Express during open season to enroll in or change your FEHB enrollment, to change to self only, to cancel your insurance, or to change your Premium Conversion Election. For more information, see the paragraph titled "Premium Conversion Plan".

### Who is eligible

Generally, you are entitled to coverage by the Federal Employees Health Benefits (FEHB) program if you are in or are appointed to a position with Federal retirement coverage or you have been in a temporary position for more than one year. Intermittent employees and employees who are expected to work fewer than six months in a year are not eligible for coverage. See the later section *Who can be covered* to see exactly who qualifies for coverage.

### Types of plans

The FEHB program offers both fee-for-service and comprehensive medical plans. Fee-for-service plans allow you a choice of physicians and hospitals. Reimbursement for covered services is generally based on a fee schedule. Comprehensive medical plans, commonly referred to as either Health Maintenance Organizations (HMOs) or Point of Service (POS) products, offer prepaid services. You must use the physicians and hospitals that the HMO/POS plans specify.

### Cost

Your actual health insurance premiums depend on the plan you select. However, the government shares the cost of the premium with you (but not more than 75% of the total premium for any plan). You can see the cost for plans which interest you in RI-70-1, *The Guide to Federal Employees Health Benefits Plan (for Federal Civilian Employees)* (also called the FEHB Guide), or individual plan brochures (discussed later).

For part-time employees, the Service pays a prorated amount of the government's share of the premium. You must pay your share of the premium and the difference between the government's full and prorated share of the premium. If you are a temporary employee, you must pay the full cost of the health insurance premium (both your share and the government's share). Refer to RI-70-8, *The Guide to Federal Employees Health Benefits Plan (Certain Temporary Employees)*, available through Employee Connection, menu 3.

### Premium Conversion Plan

A "premium conversion plan" for most enrollees in the FEHB program became effective October 8, 2000. Premium conversion reduces an employee's taxable income by the amount of his or her health insurance premium. Participation in premium conversion is automatic. Employees will have no forms to fill out, unless they choose to waive participation. Call the Employee Resource Center and ask to speak to your Employee Account Representative (EAR) for additional information.

### Enrollment in the FEHB

Generally, enrollment in the FEHB is based on the timing of certain events. You may enroll at the following times, as long as you are otherwise eligible (→ see the *FEHB Enrollment Opportunities* chart in this *Guide's Appendix* for a complete list of events that allow you to enroll in the FEHB):

→ See the *Life Events and Your Benefits* chart in this Guide's Appendix for actions you may need to take if you:

- Marry,
- Divorce,
- Legally separate, or
- Experience other life events.

- Within 60 days of being appointed to a position with Federal retirement coverage,
- During the yearly open season which runs from mid-November through mid-December,
- When you have a change in family status,
- When you have a change in employment status, or
- When there is a loss of coverage.

#### Open season


Open season is when there are the fewest restrictions on enrolling or changing your enrollment in the FEHB, as long as you are otherwise eligible.

During an open season, you can:

- Enroll in a health plan,
- Change health plans,
- Change benefit level options,
- Change from Self Only to Self and Family coverage,
- Change Premium Conversion election.

Open season occurs every year for approximately one month beginning on the Monday of the second full workweek in November through the Monday of the second full workweek in December.

If you are currently enrolled in the FEHB, and want to keep your current enrollment, the only thing you should do during open season is verify that your current plan will be participating in the FEHB program in the next year and that your physicians are still affiliated with that plan. Do this by reviewing the FEHB Guide (discussed later) for the next year.

At times there are circumstances beyond your control (such as hospitalization or the death of a family member) that prevent you from enrolling during the regular open season period.  If this applies to you, you can submit a belated SF-2809, *Health Benefits Registration Form (Federal Employees Health Benefits Program)* (available from Employee Connection, menu 3), to your appropriate Transactional Processing Branch (TPB) as soon as you return to work status. You must also attach a signed statement to this form that states your reason(s) for making a late enrollment or change.

#### How to enroll or change your enrollment

There are basically two steps to enrolling or changing your enrollment in the FEHB:

- Consulting an *FEHB Guide* and various plan brochures and
- Using Employee Express to enroll or change your enrollment (during open season).

The *FEHB Guide* provides a comparison chart with general information about each plan and shows both the bi-weekly and monthly premium rates. You

→ You can review FEHB information, including the *FEHB Guide*, on the Internet at [www.opm.gov/asd/](http://www.opm.gov/asd/) and from this page link to FEHB. Or, you can go directly to Federal insurance information at [www.opm.gov/nsure/health/index.htm](http://www.opm.gov/nsure/health/index.htm).

should review the *Guide* to see which plans interest you and which plans you are eligible for. ➡ It is **your responsibility as an employee to do this**. If you are currently enrolled in a FEHB plan, you will receive a copy of their new brochure at your home mailing address. If after reviewing the *Guide* you decide that you are interested in enrolling or making an enrollment change, you need to review that plan's brochure for a complete description of benefits. If a special medical condition exists, contact that plan to be sure they will cover the various needs of that medical condition.

You can order an *FEHB Guide* through Employee Connection, menu 3. If you are currently enrolled in an FEHB plan, you will receive a copy of their new brochure at your home address. You may also get brochures at health fairs.

📄 If you want to enroll or change your FEHB enrollment during open season, you will be *required* to use Employee Express. The only exceptions that allow you to file a paper form (SF-2809, *Health Benefits Registration Form (Federal Employees Health Benefits Program)*) are if you have more than ten family members to be covered or if you have a special need or circumstance. You can get this form through Employee Connection, menu 3, and you will need to submit it to your TPB. ➡ For more information about using Employee Express, see the chapter on *Employee Tools*.

📄 If you need to give proof of your FEHB coverage to a health-care provider before you receive your new enrollment card(s), you may request a confirmation letter from the Employee Express Help Desk by calling FTS (478) 757-3030 (also through Employee Connection, menu 2). The Help Desk will mail or fax a confirmation letter to you within one business day of your request.


➡ Once you have enrolled in the FEHB program or changed plan carriers, you should verify that the correct enrollment code and deductions are reflected on your Statement of Earnings and Leave. If not, call the ERC and request this information.

If you enroll in the FEHB outside of open season (see the *FEHB Enrollment Opportunities* chart in this Guide's Appendix), you must complete an SF-2809 and send it to your TPB instead of using Employee Express.

#### Who can be covered


As a Federal employee, you are the primary person covered under your plan. The following individuals are covered as family members under your Self and Family plan:

- Your spouse,
- Your unmarried dependent children under age 22, including legitimate children, legally adopted children, children born out of wedlock (to whose support you make regular and substantial contributions or for whom a court

 Call the ERC to get the address for your servicing BeST office.

has ordered you to pay support), stepchildren, recognized natural children, or foster children living with you in a regular parent-child relationship (→ see the *Statement of Foster Child Status* in this *Guide's Appendix* which you will need to complete and submit to your servicing Benefits and Services Team (BeST) office). A grandchild may be covered if the child meets the definition of a foster child. This does not include foster children in the legal custody of a state or local government living with you under that government's foster care program for which you receive a subsidy. It may, however, include any child you have living with you whom you expect to raise to adulthood, and

- Unmarried dependent children over age 21 who are incapable of self-support because of a physical or mental disability that began before age 22 and which is expected to last at least one year. Contact a Retirement Specialist by calling the ERC for instructions on how to include a disabled child over age 21 on your enrollment (→ see the *Statement of Child Incapable of Self-Support* in this *Guide's Appendix* which you will need to complete and submit to your servicing BeST office).

 Parents or other relatives cannot be covered by the FEHB program even though they may live with you and depend on you for support.

A court order can permit a former spouse to continue coverage under the FEHB program. Contact a Retirement Specialist by calling the ERC for more information on court-ordered entitlements.

Public Law 106-394 requires mandatory self and family coverage for FEHB-eligible employees who do not comply with a court or administrative order to provide health benefits for their children. An employee subject to such an order must enroll in self and family coverage in a plan that provides full benefits to his/her child(ren) in the area where they live or provide documentation that he/she has other health coverage for the children. If the employee does not enroll in an appropriate health plan or provide documentation of their coverage for the children, the agency must enroll the employee for self and family coverage in the basic option of the Blue Cross and Blue Shield Benefit Plan.

If you are a *seasonal* employee, you are eligible to enroll in the FEHB if your manager certifies that you are expected to work at least six months in a year. The six months do not have to be consecutive. You must enroll within 60 days of this certification. If you decide to waive or cancel coverage, you are not eligible to enroll until the next open season or have a qualifying life event.

→ You should see the Nonpay Status chapter for information on what happens to your FEHB coverage when you are furloughed.

### Dual enrollment

Normally, you cannot enroll or be enrolled as an employee if you are covered as a family member under someone else's FEHB plan. Such dual enrollments may be permitted only under certain circumstances to:

- Protect the interests of Federal employees' children who otherwise would lose coverage as family members or
- Enable an employee who is under age 22 and covered under a parent's enrollment and becomes the parent of a child, to enroll for family coverage.

☛ No person (employee or family member) is entitled to receive benefits under more than one FEHB enrollment.

### Changes in enrollment

Once you are enrolled in the FEHB, certain events in your life may cause you to need to change your enrollment. → Some events have time restrictions on them and some do not, and you should see the *FEHB Enrollment Opportunities* chart in this *Guide's Appendix* for a complete explanation of what these are.

You can change from Self Only to Self and Family coverage at the following times:

- During open season,
- When you have a change in family status,
- When you have a change in employment status, or
- When there is a loss of coverage.

You can change plans or options at the following times:

- During open season,
- When you have a change in family status,
- When you have a change in employment status,
- When there is a loss of coverage,
- When you move out of an area serviced by your comprehensive medical plan (such as an HMO), or
- When you become eligible for Medicare.

If you are a participant in the premium conversion plan, you can change from self and family to self only or cancel your insurance only during the annual open season or after a qualifying life event. If you are a non-participant, you will continue to be able to cancel your insurance or change from self and family to self only at any time through Employee Express (during open season) or by requesting a SF-2809, Health Benefits Registration Form from Employee Connection, menu 3. If you have any questions, call the ERC.

### Coverage during nonpay or insufficient pay status

If you are in nonpay or insufficient pay status, you must pay *your* full share of the FEHB premium for your coverage to continue.

See the *Nonpay Status* chapter for more information.

### Losing your FEHB coverage

You lose coverage at the following times:

- When you cancel the coverage,
- On the last day of the pay period in which you leave Federal service (unless you retire and are eligible to continue your enrollment), or
- When you have been in nonpay status for 365 days.

→ See the *Retirement* chapter for information on keeping your FEHB coverage into retirement and the *Nonpay Status* chapter for information on what happens to your FEHB coverage when you have been in nonpay status for 365 days.

When you lose coverage other than by cancellation, the following things will happen:

- Your enrollment is terminated.
- Your coverage continues without cost for 31 days after it terminates. You may request to convert to a nongroup health benefits contract with your health benefits carrier. You must do this by the earlier of 31 days from the date on your official notice of separation (your SF-50, *Notification of Personnel Action*) or 31 days from the effective date of your termination.
- When you lose coverage because you leave Federal service (unless you are separated involuntarily for gross misconduct), you are eligible to elect Temporary Continuation of Coverage (TCC) for 18 months. However, you will have to pay your share and the government's share of the premium and a 2% administrative fee. Refer to the RI 70-5, *The Guide to Federal Employees Health Benefits Plan (for TCC and Former Spouse Enrollees)*, which you can get through Employee Connection, menu 3.

If your children lose coverage under your Self and Family plan, they are eligible to elect TCC for 36 months by paying the full cost of coverage, including both the employee and government's share and a 2% administrative fee. Call the ERC within 60 days of your child's losing coverage because he/she gets married, reaches age 22, loses his/her status as stepchild or foster child, stops meeting the requirements for being considered a recognized natural child, or recovers from a disability and becomes self-supporting after age 22.

If you divorce or your marriage is annulled, your former spouse may also be entitled to TCC for 36 months by paying the full cost of coverage, including both the employee and government share and a 2% administrative fee. You must call the ERC within 60 days of the termination of your marriage to obtain information for your spouse.

If you die in service, your surviving spouse and children may continue FEHB coverage under normal circumstances. See the *Death in Service* chapter for more information.

## Forms relevant to health insurance

### → More information

Read these other chapters in this *Guide* for additional information about FEHB.

- Retirement (How certain benefits are treated)
- Reemployment After Retirement
- Work Schedules (Part time)
- Nonpay Status
- Leaving the IRS
- Death in Service

Name of form	Available from
RI-70-1, <i>The Guide to Federal Employees Health Benefits Plan (for Federal Civilian Employees)</i>	Employee Connection, menu 3
RI-70-5, <i>The Guide to Federal Employees Health Benefits Plan (for TCC and Former Spouse Enrollees)</i>	
RI-70-8, <i>The Guide to Federal Employees Health Benefits Plan (Certain Temporary Employees)</i>	
RI-70-10, <i>The Guide to Federal Employees Health Benefits Plan (for Federal Civilian Employees) for the Visually Impaired</i>	Employee Connection, menu 4
RI-79-27, <i>Temporary Continuation of Coverage (TCC) Under the Federal Employees Health Benefits Program</i>	Employee Connection, menu 3
SF-2809, <i>Health Benefits Registration Form (Federal Employees Health Benefits Program)</i>	
Various fee-for-service brochures. See <i>Forms and Other Print Material Available From Employee Connection</i> in this <i>Guide's Appendix</i> for a complete list.	
Various audio cassettes of fee-for-service brochures for the visually impaired. See <i>Multimedia Material Available From Employee Connection</i> in this <i>Guide's Appendix</i> for a complete list.	Employee Connection, menu 4

## LONG TERM CARE INSURANCE

The Federal Long Term Care Insurance Program (FLTCIP) is the result of Public Law 106-265, which was enacted on September 19, 2000.

Long term care insurance helps pay for long term care services an individual may need if you can't take care of yourself because of an extended illness or injury, or an age-related disease such as Alzheimer's. It can also provide nursing home care, care in an assisted living facility, care in your home, adult day care, hospice care, and more.

Two insurance companies joined ranks and won the competition to provide coverage under this Program — Metropolitan Life Insurance Company and John Hancock Life Insurance Company. They formed a partnership named Long Term Care Partners (LTCP). OPM and LTCP will be providing an extensive educational and marketing program to introduce employees to this new program.

Application forms can be obtained from the LTC partners by calling the hotline (1-800-582-3337) or ordering from their web site ([www.ltcfeds.com](http://www.ltcfeds.com)).


**Questions about long term care insurance** should be referred to the LTC hotline or web site.

**Employees who are eligible to enroll in LTC insurance** includes "employees who are in a position that conveys eligibility for the FEHB program coverage." They do not have to be in FEHB to enroll.

**Paying for the insurance** includes three options:

- The contractor (LTC partners) will bill the employee monthly
- The employee can have an authorized debit from their bank account
- The employee can opt for direct deposit from their IRS salary

**More information and background** can be found on OPM's web site ([www.opm.gov/insure/ltc](http://www.opm.gov/insure/ltc)).

 Call the ERC and ask for an Employee Account Representative if you need to know if you are eligible to enroll in LTC insurance.





# Planning for Your Financial Future

Being a Federal employee means that you are likely to participate in programs that can affect your financial future. These include:

- Participating in the Thrift Savings Plan (TSP),
- Receiving Social Security retirement benefits, and
- Purchasing savings bonds.

→ As an IRS employee, your retirement plan is the largest part of your compensation package that affects your financial future. **Retirement** is a separate chapter in this Guide.

You can enhance your retirement by participating in the TSP. Most Federal employees participate in the TSP because they know that saving even a few dollars from each paycheck makes a difference. Here are several good reasons to start participating in the TSP as soon as possible:

- The sooner you start contributing, the sooner your money can go to work for you. The longer your money is in your account, the more you can benefit from it.
- FERS employees receive Agency Matching Contributions (AMC). You put your own money in and IRS also puts money in for you. If you don't contribute on your own, you miss out on the AMC.
- Before-tax savings and tax-deferred investment earnings.

## THRIFT SAVINGS PLAN (TSP)

### What is the TSP?

The TSP is a retirement savings and investment plan for Federal employees. The purpose of the TSP is to provide retirement income while providing Federal employees the same type of savings and tax deferred benefits (meaning that money is taken out of your gross pay before taxes are deducted) that many private corporations offer their employees. The TSP is similar to private sector 401(k) plans.

If you are covered under the Federal Employees' Retirement System (FERS), the TSP is one part of the three-parts of your retirement package, along with your FERS Basic Annuity and Social Security. If you are covered under the Civil Service Retirement System (CSRS) or the CSRS-Offset, the TSP can provide you with a source of retirement income in addition to your CSRS annuity. Visually impaired employees who read Braille can request their TSP participant statement through Employee Connection (menu 4). Statements are available at the end of each quarter.

→ See the *Life Events and Your Benefits* chart in this Guide's Appendix for actions you may need to take with your TSP account if you:

- Marry,
- Divorce,
- Legally separate, or
- Experience other life events.

### How the TSP works

As a TSP participant, you can invest a portion of your salary in one or more of the five investment funds:

- G Fund,
- F Fund,
- C Fund,
- S Fund,
- I Fund.

#### **Call Employee**

##### **Connection to:**

- Transfer to Employee Express (menu 2);
- Transfer to the TSP ThriftLine (menu 2);
- Order TSP-related material (menus 3 and 4), and
- Get the address of your TPB (menu 9 or see this Guide's Appendix).

#### **Call the TSP ThriftLine**

##### **to:**

- Get a required PIN;
- Get account information (i.e. balance, rate of return);
- Allocate future contributions;
- Make an interfund transfer; and
- Loan or Withdrawal information from your TSP account.

#### **Call Employee Express**

##### **to:**

- Start, change or stop the amount of your contributions during open season. This is either a percentage of your base pay or a whole dollar amount each pay period.

The G Fund (Government Securities Investment Fund) consists of investments in special issues of short-term nonmarketable U.S. Treasury securities. The F Fund (Fixed Income Investment Fund) is invested in the Barclays U.S. Debt Index Fund, a commingled bond index fund that tracks the Lehman Brothers U.S. Aggregate bond index. The C Fund (Common Stock Index Fund) is invested in the Barclays Equity Index Fund that tracks the S&P 500 stock index. The S Fund (Small Capitalization Stock Index Investment Fund) is the medium and small company stock fund that tracks the returns of the Wilshire 4500 stock index, which includes those U.S. stocks that are not found in the S&P 500 index. The I Fund (International Stock Index Investment Fund) is the international stock index fund that tracks the returns of the Morgan Stanley Capital International EAFE (Europe, Australia, and Far East) stock index, an index that tracks the overall performance of the major companies and industries in foreign markets.

#### **How much you can contribute**

You can contribute as little as one dollar per pay period. Even small savings add up over time. However, if you are a FERS employee, you should be aware that if you contribute less than 5% of your basic pay, you will not receive all of the agency matching money for which you are eligible, and this money cannot be recaptured.

#### **If you are a FERS employee:**

- You can contribute up to the percent indicated on the following chart of your basic pay each pay period, up to an annual IRS elective deferral limit.
- If you are a FERS employee and you do not participate in the TSP, the Service will still contribute an amount equal to 1% of your base pay (beginning in the last month of the second open season after you are hired) to your account.
- If you are contributing your own money, the Service will match your contribution dollar for dollar for the first 3 percent, and fifty cents for each dollar for the next 2 percent.

#### **If you are a CSRS employee:**

- You can contribute up to the percent indicated on the following chart of your basic pay each pay period, up to an annual IRS elective deferral limit.
- The Service does not match your contributions or make any automatic contributions.

The Consolidated Appropriations Act for Fiscal Year 2001, changed the TSP employee contribution limits. Effective July 2001, the employee contributions for FERS and CSRS employees increased by 1 percent each year for the next five years, as follows:

Year	FERS Limit	CSRS Limit
2001	11 %	6 %
2002	12 %	7 %
2003	13 %	8 %
2004	14 %	9 %
2005	15 %	10 %

In 2006, these contribution limits will be lifted entirely.


### When you can join

All *eligible* employees can join the TSP, but there are certain restrictions on when you can begin participating, depending on which retirement system you are covered under. Employees under CSRS, CSRS-Offset, and FERS are *eligible*; employees covered by Social Security (FICA ONLY) are not eligible. Also, you may have to wait until a TSP open season (discussed later).

- If you are *newly hired under FERS*, you can sign up to contribute to the TSP during an initial 60-day eligibility period. If you do not make an election within this 60-day period, you must wait until an open season to do so.
- If you *transferred to FERS from CSRS*, you have 30 days from the effective date of the transfer to make an election to begin or change the amount of TSP contributions. Employees who elect to transfer to FERS are immediately eligible to receive agency contributions.
- If you were *rehired into a position subject to FERS or CSRS or CSRS-Offset*, and had a break in service of 31 or more full calendar days, you can sign up to contribute to the TSP within 60 days of your reemployment.
- If you are a *rehired employee who had a break in service of less than 31 full calendar days* and you were previously contributing to the TSP, your contributions and, if you are FERS, your agency contributions will resume upon rehire.

There are two *open seasons* each year: from April 15 through June 30 and from October 15 through December 31. Generally, elections are made effective during the last month of the open season. You can make only one election each open season. During an open season you can:

- Join the TSP (subject to the restrictions stated above),
- Reduce or increase the amount of your contributions if you already participate in the program, or
- Change future contributions.

 You must make all open season changes through Employee Express and ThriftLine/TSP web site.

→ See the *Employee Tools* chapter for information on using Employee Express, ThriftLine and TSP web site.

#### **When you can cancel your enrollment**

You can cancel your TSP enrollment at any time. If you cancel your enrollment during an open season, you must wait until the next open season to join again. If you cancel your enrollment outside of an open season, you must wait until the second open season before you can re-join.

#### **What you can do with your account**

When you participate in the TSP you can do several things with your account via an Interfund Transfer:

- Transfer some or all of your existing account balance between the 5 funds,
- Transfer or rollover monies from more types of eligible retirement plans,
- Withdraw all or a portion of your account while you are still employed,
- Borrow from your own TSP contributions and their earnings for certain purposes, and
- Exercise one of several withdrawal options when you retire or leave the IRS.

*Interfund transfers.* Making an interfund transfer means moving some or all of your existing account balance among the G, F, C, S and I Funds. You can even move the money the IRS has contributed and their earnings, even if you have never contributed your own money to your account (this applies to FERS employees only). You can make an interfund transfer once a month.

Making an interfund transfer will only move funds that are currently in your account. You can only redirect where future contributions will go during an open season.

Interfund transfers done using the TSP web site will be processed daily and will involve the purchase and/or sale of shares. Daily cutoff times (11:00 a.m. Central Time) will apply to most participant-initiated transactions including interfund transfers. Participants who use Form TSP-50, TSP Investment Allocation will continue to mail their form to the TSP Service Office. Paper requests will ordinarily be entered into the system within 24 hours of their receipt by the National Finance Center (NFC).


*Transfer or rollover monies.* Effective April 1, 2002, the TSP will accept transfers and rollovers from more types of eligible retirement plans. In addition to the qualified retirement plan and conduit IRA's, the TSP will also accept eligible section 403(b) annuities, 457(b) plans, Simplified Employee Pensions (SEP's), and traditional individual retirement accounts (IRA's).

The Federal Employees' Retirement System Act (FERSA) does not allow the TSP to accept after-tax balances; therefore, transfers from IRA's (and all other plans) must consist solely of balances that will be subject to income tax on distribution.

✎ To transfer or roll over the distribution you received into your TSP, you will need to complete a Form TSP-60. This form is available from the TSP web site at <http://www.tsp.gov> or by calling the TSP Service Office at

(504) 255-6000. Both the employee and the current eligible plan administrator or traditional IRA trustee must complete the form. The employees complete Sections I, II and III, Section IV is completed by the plan or IRA. You must specify that this is a transfer or rollover, the amount being submitted, the date on which you received the distribution and if the distribution is from your former eligible employer plan or a traditional IRA. The plan administrator or trustee must then submit the form to the TSP Service Office along with a personal check, certified check, a cashier's check, cashier's draft, money order, or treasurer's check from a credit union made out to the Thrift Savings Plan for the entire amount you have chosen to transfer or roll over. The TSP must receive the form and the guaranteed funds within 60 days of the date you received the funds.

*In-service withdrawals.* In-service withdrawals can never be repaid or converted to a loan, so you permanently deplete your retirement savings and future earnings on the amount withdrawn. If you have an outstanding TSP loan, making an in-service withdrawal will not eliminate the requirement for your loan payments to continue. You may apply for an in-service withdrawal of all or a portion of your TSP account if you meet one of the following requirements:

- For an age-based withdrawal, if you are age 59½ or older and have not left Federal employment, you can make a one-time-only withdrawal of all or a portion of your vested TSP account balance in a single payment. The amount of an age-based in-service withdrawal request must be at least \$1,000 (or for your entire account balance, if it is less than \$1,000). Participants can apply for an age-based withdrawal on-line at [www.tsp.gov](http://www.tsp.gov) or they can request and complete TSP-75, Age-Based In-Service Withdrawal Request.
- For a financial in-service withdrawal, if you have not left Federal employment and document financial hardship, you can withdraw all or a portion of your contributions and their earnings. The withdrawal must be for at least \$1,000, and you cannot withdraw more than the amount of your documented need or the amount of your own contributions and earnings, whichever is smaller. A 20% Federal tax plus a 10% early withdrawal fee will be charged.  To make a financial in-service withdrawal, you must complete TSP-76, *Financial Hardship In-Service Withdrawal Package*. After making a financial hardship withdrawal, you cannot contribute to your TSP account for 6 months. If you are a FERS participant, you will not receive any Agency Matching Contributions; however, you will continue to receive the 1 % Agency Automatic Contribution. *Note:* Participants who are in Chapter 13 bankruptcy are not eligible for a financial hardship in-service withdrawal.

*What's New for withdrawals* — Participants who file on-line could possibly receive a daily disbursement. Disbursements can go via electronic funds transfer (EFT) to checking or savings accounts. Note to FERS employees — **notarized spousal consent** is required for all married FERS participants.

*The loan program.* While you are an IRS employee, you can borrow from your own TSP contributions and their earnings. You must be in pay status to obtain a

loan, because you repay your TSP loan (including interest) through payroll allotments. You cannot borrow any agency contributions in your account or any earnings attributable to those contributions. The minimum loan amount is \$1,000. The maximum amount you can borrow is \$50,000. However, the amount you can borrow may be less, depending on the amount you have contributed, any outstanding TSP loans, and limits set by the Internal Revenue Code. You can find out how much you can borrow by calling the TSP ThriftLine. The interest rate for a TSP loan is the interest rate on the G Fund when the TSP Service Office received your loan application. The TSP Web site or the ThriftLine will tell you the current interest rate for TSP loans.

*What's New with the loan program* — The new loan application, Form TSP-20, Loan Application and TSP-21-G, Loan Agreement is available on-line at [www.tsp.gov](http://www.tsp.gov). Participants can apply and, in some cases, complete the loan application the same day. The new daily disbursements can go via electronic funds transfer (EFT) to your checking or savings account. Participants may send additional loan payments to the TSP (e.g., if they are in nonpay status or if they have missed payments). Payments can be made by personal check as well as a certified check, cashiers check, money order, etc. The maximum repayment term for a General Purpose loan is now 5 years and a Primary Residence loan is now 15 years. If a participant missed a payment, the IRS requires a "cure" by the end of the second quarter following the missed payment(s). Taxable distributions will be declared if the account is still in default at the end of that quarter.

If you have a TSP loan upon leaving Federal service, you must prepay the loan in full, including interest on the outstanding balance up to the date of repayment. The TSP Service Office will send you a notice with instructions about prepayment. If the TSP Service Office does not receive your prepayment in full within 90 days of the date of its prepay notice, it will consider your loan as disbursed funds and report both principal and unpaid interest to the IRS as income received in the calendar year that the loan is declared disbursed. If the loan is declared as disbursed before your retirement, the IRS will normally consider it an early withdrawal subject to a 10% penalty.

*Post-separation withdrawal options.* You are eligible to withdraw the money in your account when you separate from Federal service for 31 or more full calendar days. When you leave the IRS, you can do one of several things with the money in your TSP account:

Post-separation Withdrawal Options allow you to:

- Keep your money in the TSP
- Elect a partial withdrawal
- Elect a full withdrawal
  - Single payment
  - Monthly payment
  - Annuity
  - Mixed election

*Leaving Money in the TSP* — Mandatory cashouts of accounts with balances of less than \$200.00 (subject to 20% Federal tax withholding and in certain cases a 10% early withdrawal penalty tax). Payments must begin no later than April 1 of the year after the participant is separated and age 70½. If you leave your money in the Plan, your account will continue to earn interest and you may continue to make interfund transfers, even though you can no longer contribute to the Plan.

*Partial Withdrawals* — Participants can make a one-time request (cannot have taken an age-base in-service withdrawal) with a \$1000 minimum amount being withdrawn or request a single payment only. Disbursements are made daily. Note to married employees: married FERS participants must have a **notarized spousal consent**. There is a two-day spousal notification rule that applies for married CSRS participants. Applications done on-line at [www.tsp.gov](http://www.tsp.gov) or by using TSP-77, Request for Partial Withdrawal When Separated.

*Mixed Payments* — Participants can mix single, monthly (subject to 20% Federal tax withholding and in certain cases a 10% early withdrawal penalty tax), and annuity withdrawal options (see the next section on *How Annuities are Paid*). EFT and transfer options are available for single and some monthly payments. Disbursements are made daily. Note to married employees: Married FERS participants must have a **notarized spousal consent**. There is a two-day spousal notification rule that applies for married CSRS participants. Applications done on-line at [www.tsp.gov](http://www.tsp.gov) or Form TSP-70, Request for Full Withdrawal.

*Monthly Payments* — Participants can specify a dollar amount each month or they can ask TSP to compute a monthly payment for them based on the IRS uniform table. The option to elect a specific number of monthly payments has been eliminated. There will be an annual election that will allow participants to change their monthly payments as shown above. Changes are effective in January of the following year.

Regardless of how much is in your TSP account:

- If you transfer to another Federal agency, you can continue to participate in the TSP without interruption. Except in the case of an in-service withdrawal, you cannot withdraw the money in your TSP account as long as you work for the Federal government.
- If you have less than three years of Federal service when you separate (certain employees in a top-level category must serve only two years), you will forfeit the basic 1% contribution, regardless of which option you choose (this applies to FERS employees only).
- You have to be separated from the Service for at least 31 consecutive days before you can withdraw the money from your account. Because withdrawal checks are only disbursed once per month (mid-month), you may have to wait from six to eight weeks before you receive your check.



• Your TSP account can be subject to court decrees of divorce, annulment, or legal separation, or the terms of court-approved property settlements incident to any court decree of divorce, annulment, or legal separation that meet the requirements stated in Federal Retirement Thrift Investment Board regulations. Your account may also be subject to the enforcement of legal obligations for alimony, child support, and judgements against you for child abuse.

You can always find current information at the TSP Web site: [www.tsp.gov](http://www.tsp.gov).

#### Fall 2002 Changes

- G, F, C, S, and I Fund balances will be converted to shares as of August 31, 2002 at a price of \$10 per share. To convert dollars to shares, divide the dollar balance of the applicable investment fund by the share price for that fund.
- Contribution allocation requests and interfund transfer requests must be made directly with the TSP by using TSP web site at [www.tsp.gov](http://www.tsp.gov), the ThriftLine, or Form TSP-50, TSP Investment Allocation. Until a new participant makes a contribution allocation request, contributions will be invested in the G-Fund.
- Electronic contribution allocations and interfund transfers requested by **11:00 am Central Time** will be effective as of close of business that day. Paper requests will ordinarily be entered into the system within **24** hours of receipt. Participants will receive verification of their investment changes.
- The January 2003 statements will be available on the web at [www.tsp.gov](http://www.tsp.gov). To continue to view the statements on the web, employees must register (you will not get a mailed copy once you do this). Employees can continue to get a printed statement at home as long as they do not register for the one on the web.

#### TSP annuities

As a TSP participant, you may receive an annuity (a benefit paid each month to you or to your survivor for life) when you retire. The TSP purchases the annuity from an insurance company on your behalf. If you resign before retiring, the TSP will send you forms when you are eligible to receive the annuity, unless you have already withdrawn the money in the account.

The TSP offers three basic types of annuities:

- *Single life*—an annuity paid in equal payments only to you during your lifetime,
- *Joint life with spouse*—an annuity paid to you while you and your spouse are alive. When either of you dies, the annuity will be paid to the survivor for his or her life, or
- *Joint life with someone other than your spouse*—an annuity paid to you while you and a person you choose (but other than your spouse) are alive. This person must have an insurable interest in you (meaning that the person is financially dependent on you and could reasonably expect to derive financial benefit

from your continued life.) When either of you dies, the annuity will be paid to the survivor for his or her life.

#### How your account balance is paid if you die

If you die after leaving the IRS but before you have elected a withdrawal option, or if you die after electing a lump sum payment but before receiving it, the Thrift Investment Board will pay the full amount of your vested account to your beneficiary(ies). If you elect a series of equal payments and die before receiving the entire account balance, your beneficiary(ies) receive the remainder in a single payment.

→ See the *Designating Beneficiaries* chapter for more information. Also, see the *Death in Service* chapter for information on what happens to your TSP account balance if you die while still employed.

#### Advantages of investing

The TSP offers substantial tax advantages. Income taxes on TSP contributions are deferred, reducing your tax bill for the current year. Income taxes on the earnings in your account are also deferred, allowing substantial additional growth in compound earnings over the years compared to an investment where earnings are subject to income taxes each year.

**Example.** This example shows how you can have \$210 more in annual take-home pay when you save through the TSP compared to saving through an after-tax method. The difference in your take-home pay will be even greater if the state in which you live permits tax-deferred savings, as most states do, or you pay taxes at a rate higher than 15%.

Suppose that you earn \$28,000 each year (your basic pay) and decide to contribute 5% each pay period (\$1,400 a year) to your TSP account. For purposes of this example, you are married, have a dependent child, show three exemptions on your jointly filed Federal tax return, claim the standard deduction, and have a tax rate of 15%.

#### Before-tax savings (TSP)

Yearly basic pay (taxable income)	\$28,000
Minus before-tax savings in the TSP	-\$1,400 (5% of \$28,000)
Net taxable income	\$26,600
Minus estimated Federal income tax	-\$1,939
Net take-home pay	\$24,661

**After-tax savings (another savings method)**

Yearly basic pay	\$28,000
Minus estimated Federal income tax	-\$2,149
Net income after taxes	\$25,851
Minus savings (no tax advantage)	-\$1,400 (5% of \$28,000)
Net take-home pay	\$24,451

Your net take-home pay with before-tax savings in the TSP is \$24,661 and your net take-home pay with after-tax savings using another method is \$24,451—a difference of \$210.

**Forms/material relevant to the TSP**

Name of form/material	Available from
TSP-1, Thrift Savings Plan Election Form	Employee Connection, menu 3
TSP-3, Thrift Savings Plan Designation of Beneficiary	
TSP-16, Thrift Savings Plan Exception to Spousal Requirements	
TSP-17, Application for Account Balance of Deceased Participant	
TSP-20, Thrift Savings Plan Loan Application	
TSP-21-G, Thrift Savings Plan Loan Agreement	
TSP-50, Thrift Savings Plan Investment Allocation	
TSP-60, Thrift Savings Plan Request For A Transfer Into The TSP	
TSP-70, Thrift Savings Plan Request For Full Withdrawal	
TSP-75, Thrift Savings Plan Age-Based In-Service Withdrawal Package	
TSP-76, Thrift Savings Plan Financial Hardship In-Service Withdrawal Request	
TSP-77, Thrift Savings Plan Request for Partial Withdrawal When Separated	
Continued next page	

Name of form/material (continued)	Available from
TSP-536, <i>Important Tax Information About Payments Made From Your TSP Account</i>	Employee Connection, menu 3
TSP-582, <i>Tax Treatment of Thrift Savings Plan Payments Under Qualifying Orders</i>	
TSPBK01, <i>TSP Withdrawal Information Package</i> (includes a TSP-9, <i>Change of Address for Separated Employees</i> and TSP-775, <i>Important Tax Information About Your TSP Withdrawal and Required Minimum Distribution</i> )	
TSPBK02, <i>Withdrawing Your TSP Account Balance After Leaving Federal Service</i>	
TSPBK03, <i>Guide to TSP Investments</i>	
TSPBK04, <i>Thrift Savings Plan Loan Program</i>	
TSPBK05, <i>Thrift Savings Plan Annuities</i>	
TSPBK08, <i>Summary of TSP for Federal Employees</i>	
TSPBK11, <i>Thrift Savings Plan Information About Court Orders</i>	
TSPBK12, <i>Thrift Savings Plan In-Service Withdrawals</i>	
Overview of the Thrift Savings Plan for Federal Employees (video)- not currently available	Employee Connection, menu 4
TSP video directed to employees with 10 or less years of service and not participating in the TSP (video)	
TSPBK08, <i>Summary of the Thrift Savings Plan for Federal Employees</i> (audio cassette for visually impaired employees only)	

## SOCIAL SECURITY

### Who qualifies for Social Security retirement benefits

Employees who have worked the required number of credits (usually 40) in a position covered by Social Security qualify for Social Security retirement benefits.

For employees covered by the Federal Employees' Retirement System (FERS), Social Security benefits are part of the three-part retirement plan which also includes the FERS basic annuity and the Thrift Savings Plan. Employees

covered by CSRS may receive a Social Security retirement annuity but may have that annuity affected by the Windfall Elimination Provision (WEP) and/or the Government Pension Offset (GPO) provision (both are discussed later).

#### **What Social Security retirement benefits are**

For those who qualify, the Social Security retirement benefit is a monthly annuity. However, Medicare (Part A, Hospital Insurance, which covers hospitalization, certain inpatient care, and home health services) is available to all employees whether or not they worked in a position covered by Social Security. This is the 1.45% Medicare deduction on your Statement of Earnings and Leave each pay period. To be covered by Part B, Medical Insurance, which covers doctors fees, most outpatient hospital services, and other related services, you must sign up for it through the Social Security Administration (SSA). There is a monthly fee that is deducted from your Social Security check or your CSRS annuity check.

Another Social Security benefit is the one-time family death benefit payment of \$255.00 that is made to the widow or widower at the time of the worker's death. In the absence of a widow or widower, the payment can be made to any child of the deceased worker who is eligible for benefits as a surviving child.

#### **When benefits are received**

An employee can begin receiving Social Security retirement benefits as early as age 62 (age 60 if a widow or widower), but the benefits will be reduced. Full benefits are payable (and Medicare coverage is available) at age 65 to 67 based on your year of birth.

Employees can apply for SSA retirement benefits three months before they are eligible.

#### **Making sure your records are accurate**

☛ You should make sure that your Social Security earnings are correctly reported to the SSA and credited to your account.

Here are some actions you should take:

- Make sure the name and number on your Social Security card match those in your employer's records, on your Statement of Earnings and Leave, and on the Form W-2 that you receive each year (Forms W-2 are proof of your earnings, so be sure to keep them). See your manager if any of these records are incorrect.
- Notify the SSA (to get a new Social Security card) and your manager if you change your name as a result of marriage, divorce, or for any other reason.
- Periodically request a Form SSA-7004, *Request for Earnings and Benefit Estimate*, from the SSA or from Employee Connection (menu 3). When you complete and submit the form (use the address shown on the form), the statement you

receive will show the wages and taxes credited to your account number since 1951 and an estimate of the retirement, survivor, and disability benefits that you and your family may expect. However, it will not show any GPO or WEP (both discussed next) that may reduce your annuity (the SSA will do an accurate computation three years before you are eligible for SSA retirement benefits). The benefit estimates are based on your date of birth and work history. Medicare information is also provided.


These statements are automatically sent to all individuals age 60 or older who are not receiving Social Security benefits based on their own earnings record and anyone age 25 or older who have a Social Security earnings record and who are not receiving Social Security benefits based on his or her own earnings.

### Windfall Elimination Provision

If you are covered by CSRS or CSRS offset and are also entitled to a Social Security retirement annuity because you earned at least 40 credits in a position covered by Social Security, the Windfall Elimination Provision (WEP) may affect the amount of the Social Security annuity you receive when you retire. The WEP affects your own earnings, not any earnings of your spouse.

Here is how Social Security annuities are usually calculated. An annuity is based on your average monthly earnings adjusted for inflation. When your benefits are computed, the average earnings are separated into three amounts and multiplied using three factors. For example, for a worker who turns 62 in 2002, the first \$592 of average monthly earnings is multiplied by 90%; from \$592 to \$2,975 is multiplied by 32%; and the remainder by 15%.

But if you receive a CSRS annuity, the 90% factor is reduced. The reduction was phased in for workers who reached age 62 or became disabled between 1986 and 1989. For those who reach 62 or become disabled in 1990 or later, the 90% factor is reduced to 40%.

 **Exception:** The modified formula does not apply to you if you were hired by the Federal government after December 31, 1983, or you have worked 30 or more years in a position covered by Social Security.

### Government Pension Offset

Many employees are entitled to a Social Security spousal or survivor annuity. **This is an annuity based not on your own earnings, but on the earnings of your spouse.** However, if you are also entitled to a CSRS annuity, you may have your Social Security spousal or survivor annuity reduced under the Government Pension Offset (GPO) provision of Social Security law. The offset will reduce the amount of your Social Security spouse's or widow(er)'s benefits by two-thirds of the amount of your non-Social Security annuity. For example: if your monthly CSRS annuity is \$600, two-thirds of that, or \$400,

### → Information on Social Security:

- [www.ssa.gov](http://www.ssa.gov) or
- (800) 772-1213  
(7 a.m. to 7 p.m.  
Monday-Friday).
- TTY 1-800-325-0778

must be used to offset your Social Security spouse's or widow(er)'s benefits. If you're eligible for a \$500 widow(er)'s benefit, you'll receive \$100 per month from Social Security.

This affects you if you become eligible for your CSRS retirement benefits on or after July 1, 1983. It does not affect you if:

- You are covered by the CSRS-Offset,
- You elected to transfer from CSRS to FERS after July 1, 1988, and have been covered by FERS for five years.

## SAVINGS BONDS

You can purchase Series EE or Series I savings bonds and have the cost deducted from your pay.

➔ For additional information:

- [www.publicdebt.treas.gov](http://www.publicdebt.treas.gov)
- (800) 487-2663.

✍ Complete the appropriate sections of SB-2152 (for Series EE bonds) and SB-2253 (for Series I bonds), *Authorization for Purchase and Request for Change—United States Savings Bonds*, that you can get from Employee Connection (menu 3) to do the following:

- Establish a new bond allotment,
- Make necessary corrections to an existing bond account (for example, change the allotment amount; change the bond denomination; change the owner, co-owner, or beneficiary; or change the mailing address, and
- Cancel a bond allotment.

Send the form(s) to your Transactional Processing Branch for processing. You can get the address from Employee Connection (menu 9) or from this *Guide's Appendix*.

# Designating Beneficiaries

*Designating beneficiaries is the act of specifying to which person(s) any money payable to you is to be paid when you die. The money that you can designate from your Federal benefits is your unpaid salary and lump sum annual leave, Thrift Savings Plan (TSP) account, Federal Employees' Group Life Insurance (FEGLI), and Civil Service Retirement System (CSRS) or Federal Employees' Retirement System (FERS) accounts.*

## Call the ERC to:

- Talk to an EAR for local procedures on seeing your OPF and reviewing most prior designations.

## Call Employee Connection to:

- Get the necessary forms for designating beneficiaries (menu 3), and
- Get the address of your TPB (menu 9 or see this *Guide's* Appendix).


## Who can be beneficiaries


Beneficiaries can be either:


- An individual or individuals whom you designate. This must be done in writing using the appropriate forms, witnessed by two people (other than the person(s) you designate), and received by the appropriate office before your death or
- The person(s) specified by law under the Federal Order of Precedence (FOP) as described below. Any person, firm, corporation, or legal entity, including a trust, may be named as a beneficiary (except an agency of the Federal or District of Columbia governments). For information on designating to a trust, see the following link on the OPM web site: <http://www.opm.gov/insure/life/handbook/design2.htm#designating%20a%20trust>.

## Forms for designating beneficiaries

You can order these forms from Employee Connection (menu 3). In addition, beside each form are links to Adobe Acrobat PDF versions of the form. Using the free downloadable Acrobat Reader available at <http://www.adobe.com/products/acrobat/readstep.html> you can print them out for use as regular paper forms.

 *SF-1152: Designation of Beneficiary (Unpaid Compensation of Deceased Civilian Employee).* [http://www.opm.gov/forms/pdf\\_fill/sf-1152.pdf](http://www.opm.gov/forms/pdf_fill/sf-1152.pdf). Use this form to name the person(s) you want to receive your unpaid salary and lump sum annual leave. Complete the form and submit it to your Transactional Processing Branch (TPB) where it will be kept in your official personnel folder (OPF). You will be mailed a copy for your records.

 *TSP-3: Thrift Savings Plan Designation of Beneficiary.* [http://www.opm.gov/forms/pdf\\_fill/tsp-3.pdf](http://www.opm.gov/forms/pdf_fill/tsp-3.pdf). Use this form to designate how you want your TSP account paid. Complete it, make a copy for your files, and mail the original to the address on the form where it will be maintained by the Thrift Savings Plan Service Office. The TSP-3 requires the witnesses to be age 21 or older.

 *SF-2823: Designation of Beneficiary (Federal Employees' Group Life Insurance).* [http://www.opm.gov/forms/pdf\\_fill/sf2823.pdf](http://www.opm.gov/forms/pdf_fill/sf2823.pdf). Use this form to designate the person(s) to receive your Federal Employees' Group Life Insurance (FEGLI) benefits, both Basic Life Insurance and any Optional Life Insurance in which you are enrolled. Complete the form and submit it to your TPB where it will be kept in your OPF. You will be mailed a copy for your records.



→ See the *Life Events and Your Benefits* chart in this Guide's Appendix for actions you may need to take if you:

- Marry,
- Divorce, or
- Experience other life events.

✎ There are two exceptions for FEGLI beneficiary designations:

- You cannot designate a beneficiary(ies) if you have elected Living Benefits or signed a viatical settlement agreement.
- You cannot change the beneficiary(ies) or use the Federal Order of Precedence for FEGLI benefits if a certified court decree, order, or applicable property settlement related to a divorce, annulment, or legal separation that names someone to receive the FEGLI life insurance proceeds exists and has been filed in your OPF.

✎ *SF-2808: Designation of Beneficiary (Civil Service Retirement System)* *SF-3102: Designation of Beneficiary (Federal Employees' Retirement System)* [http://www.opm.gov/forms/pdf\\_fill/sf2808.pdf](http://www.opm.gov/forms/pdf_fill/sf2808.pdf) or [http://www.opm.gov/forms/pdf\\_fill/sf3102.pdf](http://www.opm.gov/forms/pdf_fill/sf3102.pdf). The form you use depends on your retirement system.

For CSRS employees, mail both copies of the completed SF-2808 to the Office of Personnel Management (OPM) at the address shown on the form. You will receive a copy of your signed retirement designation for your records. The original will be maintained by the OPM. You can write to the OPM to request a copy of a previously filed SF-2808. However, it is easier to submit a new form, properly signed and witnessed, to the OPM. The new form will supersede any that you may have filed in the past.

If you are a FERS employee, mail both copies of the completed SF-3102 to your TPB. A copy will be returned to you and the original will be placed in your OPF at your TPB. The new form will supersede any that you may have filed in the past.

- ☛ Retirement monies will only be paid as a lump sum if no one is eligible for a monthly survivor benefit based on your service.
- See the *Death in Service* chapter for more information.

### Federal Order of Precedence (FOP)

If you are an employee at the time of your death, then benefits will be distributed according to the order of precedence set by Federal law as follows:

1. To your designated beneficiary or beneficiaries,
2. If none, then to your widow or widower,
3. If neither of the above, to your child or children in equal shares, with the shares of any deceased child distributed to the descendants of that child,
4. If none of the above, to your parent or parents in equal shares,
5. If none of the above, to the executor or administrator of your estate, or
6. If none of the above, to the next of kin as determined under the laws of the state where you lived.


It is not necessary to designate a beneficiary unless you wish payment to be made in a way other than the order of precedence shown above.

If you filled out a designation of beneficiary in the past, but you now prefer the FOP, fill out a new designation of beneficiary for that benefit and, in the space where you would normally type or print the name of the beneficiary, write "cancel prior designations." The forms still need to be signed, witnessed, and received in the appropriate office before your death to be valid.

#### Wills and changes in family status

Even if you have a current will, you should still consider designating a beneficiary(ies). A will does not determine who receives Federal benefits unless an executor named in your will is either designated as your beneficiary or is entitled to receive the benefits under the FOP.

Also, if you divorce and/or remarry, your designation of beneficiary is not automatically changed. If you have designated a beneficiary(ies), the designation remains in effect until you cancel or supersede it.

 Generally, once you have designated a beneficiary(ies), that designation remains in effect—no matter what family or personal life changes you experience unless you cancel or change your designation in writing.  
 (→ See the exceptions for FEGLI benefits that are discussed earlier under *Forms for designating beneficiaries*).

#### Reviewing prior designations

You should be aware of the problems that can result either from completing a designation of beneficiary form and forgetting about it, or never completing one at all. It is a good idea to routinely review copies of designation(s) of beneficiary(ies), especially if you are not sure what you have filled out in the past. Remember, as discussed earlier under *Forms for designating beneficiaries*, that not all designations are filed in your OPF.

An alternative is to file a new designation since the most recent designation will supersede any prior designation on file.

#### Common errors in making designations

A designation of beneficiary will not be valid unless it is properly completed. These are some of the things that will cause a designation to be invalid:

- You have not signed the designation.
- Only one witness has signed the designation.
- Your personal representative or guardian has signed the designation instead of you.
- The designation contains one or more crossouts, erasures, or alterations.
- The appropriate office does not receive the designation before your death.

- Your FEGLI coverage has been assigned, and you, not your assignee(s), signed the designation.
- Your FEGLI coverage has *not* been assigned and you check the block stating that it has.
- The beneficiary(ies) named on the original and the duplicate copy of the designation are different.
- Your name, as shown in the body of the designation, is significantly different from your signature. The difference is not significant if initials of first and middle names are used in one place and full names in the other.
- There is no specific beneficiary(ies) named. For example, you make a *per stirpes* designation (one that provides for the equal distribution of benefits among the children of a deceased named beneficiary) or you make a designation in which the beneficiary does not yet exist (e.g., "Mary Smith's children, born and unborn").

The following errors may not invalidate a designation, but they may delay or prevent payment to the beneficiary as you desired:

- One or both of the beneficiaries signed as a witness, and there are no remaining (non-witnessing) beneficiaries named on the designation. If there are remaining beneficiaries, the designation is not invalid; however, payment will not be made to any beneficiary who served as a witness. Payment will be distributed to the remaining beneficiaries as if the beneficiary(ies) who served as witness predeceased you.
- Beneficiary shares total less than or more than 100%.
- The given name of the beneficiary is not stated (e.g., Mrs. John Doe instead of Mary Doe).
- You have made provisions that cannot be recognized, such as "payment of just debts" or "payment in installments" or "to Tom when he reaches age 21."
- You have not clearly stated that you are naming a contingent beneficiary (e.g., "John Doe or Mary Doe" instead of "John Doe if living, otherwise to Mary Doe").

• The appropriate office must return any designation to you if it has any of the errors listed above. However, the office's failure to return an incorrect designation of beneficiary does not make the designation valid.

#### Additional examples

These additional examples show why designations of beneficiaries should always be complete, current, and accurate.

**Example 1.** An employee recently died. Before his death he had a friend ask the personnel office the general question, "When an employee dies, will the spouse receive the life insurance?" The general answer was "Yes, unless the employee has designated someone else as the beneficiary." Neither the friend

nor the employee thought any more of it. The employee died and, in the review of the OPF, the only designation of beneficiary form found named his children and wife (whom he had divorced 25 years earlier) as beneficiary for the life insurance. The long-forgotten form was valid and the FEGLI was paid to the deceased's adult children and ex-spouse, rather than to his current spouse of 10 years and their minor children.

**Example 2.** An unmarried employee completed the designation of beneficiary for FEGLI benefits and named her fiancé as the beneficiary. The engagement was subsequently broken off. Several years later, the employee married someone else and was later killed in an automobile accident. She had never canceled or superseded the designation of beneficiary. Therefore, the ex-fiancé received the FEGLI proceeds when the employee died.

**Example 3.** An employee dies never having completed a designation of beneficiary form. He wanted his wife and/or daughter to receive all of his benefits. However, the employee had entered into a common-law relationship over 20 years earlier. The relationship ended, and the couple separated and lost contact. The employee assumed that since he had not seen the common-law wife for such a long time, she would not be entitled to anything.

However, a valid marriage, including a common-law marriage, can only be terminated through death, divorce, or annulment. Furthermore, if you enter into a common-law marriage in a state that recognizes them, it is a valid marriage in any state you later live in. In this case, the common-law wife had kept enough documentation to support the existence of the common-law marriage. She also lived in the same general area and saw the common-law husband's obituary in the local paper.

Since no designation of beneficiary was ever completed, the FOP determined to whom the employee's Federal benefits were to be paid. An individual can only enter into one valid marriage at a time, and the common-law marriage was valid. The woman the deceased considered his wife received nothing and his daughter only received monthly survivor annuity benefits as his natural child. The common-law wife received all benefits, including the monthly survivor annuity as his spouse.


A designation of beneficiary does not affect your survivors' eligibility for monthly survivor annuity benefits—their eligibility depends entirely on your length of service, coverage under a retirement system (CSRS or FERS), and your spouse, former spouse and/or children meeting certain eligibility requirements. See the Death in Service chapter for more information.

**Example 4.** Employee is required by law (certified court divorce decree) to keep his ex-spouse as his named beneficiary. Paperwork is filed at OPM but no copy of certified court divorce decree is filed in his OPF. Employee remarries, completes a new designation naming his new spouse as his beneficiary. New designation is filed in his OPF. Employee dies suddenly.

Because a copy of the divorce decree that ordered him to keep his ex-spouse as a beneficiary was not properly filed in his OPF (even though this document did exist), his new spouse was entitled to all of his life insurance money when he died.

# Nonpay Status

*Nonpay status generically refers to any time that you are still on the IRS rolls, but do not report to work or receive pay. Leave without pay (LWOP) and furlough (seasonal employees) are the most common examples of nonpay status. Nonpay status can either be **continuous** or **intermittent** (periods of nonpay status interspersed with periods of work).*

 Call the Employee Resource Center if you have questions about nonpay status.

## Effect on benefits

Several of your benefits may be affected when you are in nonpay status:


- Federal Employees Health Benefits (FEHB) coverage,
- Federal Employees' Group Life Insurance (FEGLI) coverage,
- Leave,
- Retirement contributions,
- Length of service credit,
- Thrift Savings Plan (TSP) participation, and
- Payroll deductions.


## Federal Employees Health Benefits (FEHB)

If you are in nonpay status or your pay is not sufficient to pay your portion of your FEHB premiums, the full FEHB premium must still be paid (both your share and the government share) for your coverage to continue. You are only responsible for the employee's share of the premium. This is true whether you are in a continuous or intermittent nonpay status.

If you are in a nonpay or insufficient pay status, you will receive a letter requiring you to do one of the following:

- Continue your coverage by making payments directly to your servicing payroll office (this address will be in the letter),
- Continue your coverage by incurring a debt and postponing paying premiums until you return to a pay or sufficient pay status, or
- Terminate your coverage while you are in a nonpay or insufficient pay status.

 See Payroll debts owed to the Service in the Pay chapter for information on incurring an FEHB debt.

 If you do not respond within 31 days from the date of the notification letter, your coverage will automatically terminate.

If you choose to terminate your coverage or your insurance automatically terminates, your health insurance carrier will not accept medical claims from you beginning on the date your coverage terminates until you re-enroll upon your return to pay and duty status. If your coverage is terminated, it is not considered a break for the five-year continuous coverage requirement for carrying your FEHB insurance into retirement as long as you re-enroll when you first have the opportunity. Furthermore, if you plan to re-enroll in the FEHB program upon your return to pay and duty status, you must do it *within 60 days after your return to duty*.

→ See the *Insurance* chapter (FEHB section) for information on eligibility for FEHB coverage if you are a seasonal employee.

If you are a *seasonal* employee, once you have enrolled in the FEHB, the same rules apply to you as stated above when you go into nonpay status. However, after 12 months in nonpay status, the insurance will be terminated. Upon your return to duty, you can re-elect coverage. At this point, you must be in a pay and duty status for at least part of each pay period for four consecutive months or the insurance will be terminated. If you are in a pay and duty status for at least four consecutive months, the clock restarts on the 12 months continuation of coverage.

#### **Federal Employees' Group Life Insurance (FEGLI)**

In *continuous* nonpay status that lasts up to 12 months, your Basic Life Insurance and Optional Life Insurance will continue at no cost to you or the Service. This 12 months of nonpay status can even be broken up by your return to pay and duty status for periods of less than four consecutive months. After 12 months, your coverage will be terminated, but will be automatically reinstated when you return to pay and duty status.

☛ **Exception:** If you are in continuous nonpay status but still receive worker's compensation, withholdings are taken from your compensation check, and the Office of Personnel Management will pay the government contribution.

In *intermittent* nonpay status, your premium payments depend on whether the nonpay status is only occasional or ongoing. If it is occasional, meaning that your pay for a particular pay period is not enough to cover the full withholdings for life insurance, the amount withheld will first be applied to Basic Life Insurance. Any balance or pay remaining will then be applied to Option B, Additional Life Insurance; then Option A, Standard Life Insurance; then Option C, Family Life Insurance.

If your nonpay status is ongoing, that is, when you expect that for a six-month period or more, your regular pay after all deductions will not be enough to cover the required withholdings for the full cost of Optional Life Insurance, you become *ineligible* for Optional Life Insurance. When this occurs, you will receive notification which allows you to cancel or reduce any nonmandatory deductions (such as FEHB premiums) from your pay in order to bring the net pay up to the required amount to cover your insurance. If you have more than one form of Optional Life Insurance and your pay is not enough to cover all the premiums but is enough for one or more of the options, you can reduce coverage to a point where your pay covers the withholdings. This is *not* considered a voluntary cancellation. Optional coverage and withholdings will resume automatically when your salary is sufficient to cover the withholdings.

If you are a *seasonal* employee, once you have enrolled in FEGLI, the same rules apply to you as stated above when you go into nonpay status. However, when

→ See the *Insurance* chapter (FGLI section) for information on eligibility for FGLI coverage if you are a seasonal employee.

you return to pay and duty status, your coverage is automatically reinstated unless you file a waiver (Part 5 of SF-2817, *Life Insurance Election Form (Federal Employees' Group Life Insurance)*) before the end of the first pay period that you return to duty or are placed in a pay and duty status (you do not have to file another waiver if you have previously filed one). At this point, you must be in a pay and duty status for at least part of each pay period for four consecutive months or the insurance will be terminated. If you are in a pay and duty status for at least four consecutive months, the clock restarts on the 12 months continuation of coverage.

### Earning leave

During any pay period where the total hours you are in nonpay status reaches 80 hours, you will not earn sick or annual leave for that pay period. If the LWOP reaches 80 hours in the last full pay period in the calendar year and you are accruing six hours of annual leave, you will lose the entire 10 hours accrual for that pay period.

### Retirement contributions

In *continuous* nonpay status, neither you nor the Service contributes to your retirement fund and neither is required to make a retroactive deposit into the fund when you return to pay and duty status.

In *intermittent* nonpay status, contributions to the retirement fund are based only on pay you actually earned.

### Length of service credit

For *retirement* purposes, you receive length of service credit for up to six months of nonpay status in a calendar year after 10-1-1980. Your length of service will be adjusted by the amount of time you are in nonpay status that is over the time that is already allowed. This does not interrupt the consecutive three years that determine the *high three* average salary used to compute your retirement annuity.

For *within-grade* increases, the waiting period for steps 2, 3, and 4 of a grade is extended if your time in nonpay status is longer than two weeks; for steps 5, 6, and 7 if your time in nonpay status is longer than four weeks; and for steps 8, 9, and 10 if your time in nonpay status is longer than six weeks. In all cases, the waiting period is extended by the amount of time you are in nonpay status that is over the time that is already allowed.

For *career tenure* purposes, if you are in nonpay status more than 30 calendar days, the three-year waiting period for career tenure is extended by the number of nonpay status days over 30.

For *time-in-grade* purposes, service is counted regardless of your time in a nonpay status.



### Thrift Savings Plan (TSP)

In *continuous* nonpay status, neither you nor the Service contributes to your TSP account and neither can make retroactive contributions when you return to pay and duty status. However, if you are in nonpay status because you are on active military duty, the Uniformed Services Employment and Reemployment Rights Act of 1994 may apply to you. Contact the Employee Resource Center (ERC) for more information.

In *intermittent* nonpay status, TSP contributions are based on pay you actually earn.

If you are in either continuous or intermittent nonpay status and you are scheduled to repay a TSP loan, those payments will be suspended for up to one year. If you return to duty within one year, your loan will be reamortized and you will be issued a new payment plan. If you do not return to duty and do not repay the loan within one year, the loan will be considered as disbursed funds and will be reported to the IRS as income received in the calendar year the loan is declared disbursed. If the loan is declared disbursed before retirement, the IRS will consider it an early withdrawal subject to a possible 10% penalty.


### Payroll deductions

When you do not have enough pay to cover all of your deductions, any deductions that can be made will be withheld in the following order:

- Retirement contributions,
- FICA and Medicare taxes (if you are a CSRS employee only Medicare tax applies),
- Current Federal income tax, including amounts you have voluntarily authorized,
- FEHB premiums for the current pay period and, where owed by you, for an additional pay period immediately preceding the current pay period,
- Basic Life Insurance premiums,
- State income tax,
- Local income tax,
- Mandatory repayment of indebtedness to the U.S., excluding IRS levy for back taxes (see below),
- Garnishment for alimony and child support payments,
- Court-ordered bankruptcy payments,
- Optional Life Insurance premiums,
- Voluntary repayments of indebtedness to the U.S.,
- All other voluntary deductions, including those for contributions to the TSP or repayment of loans from that plan, then
- IRS levy for back Federal income taxes.

# Workers' Compensation

*Workers' compensation is a combination of money and/or benefits you receive when you sustain a work-related injury or disease (specifically defined below as either a **traumatic injury** or an **occupational disease** or a **recurrence** of either of these). The workers' compensation program is based on the Federal Employees' Compensation Act (FECA). The goal of the program is to ensure that all employees who sustain temporary or permanent disabilities from a work-related injury or disease receive job accommodations and opportunities for full employment, not unlike employees who have disabilities that are not work related.*

 **Call Employee Connection** (menu 3) or see your manager to get forms related to workers' compensation. A complete list of forms appears at the end of this chapter.

## Who is in charge of the workers' compensation program

The office that manages workers' compensation for the IRS is the Workers' Compensation Center (WCC), located in Richmond, Virginia, and all claim forms must be submitted to this office. However, claim adjudication and all benefit payments are made by the U.S. Department of Labor (DOL) through their Office of Workers' Compensation Programs (OWCP).

## Definitions

There are different forms to complete and different benefits which may be available depending on whether you have sustained a *traumatic injury* or an *occupational disease* or a *recurrence* of either of these.

*A traumatic injury* is a wound or other condition of the body caused by external force. The injury must be caused by a specific event or incident or series of events or incidents within a single day or work shift.


*An occupational disease or illness* is a condition produced by systematic infections; continued or repeated stress or strain; exposure to toxins, poisons, fumes, etc.; or other continued and repeated exposure to conditions of the work environment over a long period of time.

*A recurrence* is a spontaneous return or increase of disability due to a previous injury or occupational disease. A recurrence is different from a new injury in that, with a recurrence, no event other than the previous injury accounts for the disability.

## Prevention

It is everyone's responsibility to ensure that safety is a part of the work environment. If you spot a safety hazard, you should correct it or report it to your manager immediately, if possible.

## Reporting a work-related injury or disease

 You should immediately report to your manager every work-related injury or disease, no matter how minor.

☛ Your manager should be your first point of contact if you sustain a work-related injury or disease.

Call the IRS Workers' Compensation Center in Richmond, Va.:




- To check on a specific workers' compensation claim,
- Before using your own leave due to a work-related injury or disease, and
- For information or questions not addressed in this *Guide*.

☎ (804) 771-2900

☎ (800) 234-8323

☎ TTY (804) 771-2357

After telling your manager about the work-related injury or disease, you will have to officially report it through the Safety and Health Information Management System (SHIMS) web-based e-file program via the AWSS or WCC link available through IRWeb. Just click on [www.wcc.ric.ser.irs.gov](http://www.wcc.ric.ser.irs.gov) for this link. This program provides ease in filing both workers' compensation claims and safety incident reports and faster processing of claims. Follow the e-file instructions, print, sign and give the form to your manager for his/her completion and electronic transfer to WCC. If you have no computer availability, you will need to officially manually report your claim on one of the following forms:

-  For a traumatic injury, complete the employee portion of Form CA-1, *Federal Employee's Notice of Traumatic Injury and Claim for Continuation of Pay/Compensation*, and submit it immediately to your manager.
-  For an occupational disease or illness, complete the employee portion of Form CA-2, *Notice of Occupational Disease and Claim for Compensation*, and submit it immediately to your manager.
-  For a recurrence, complete the employee portion of Form CA-2A, *Federal Employee's Notice of Employee's Recurrence of Disability and Claim for Pay/Compensation*, and submit it immediately to your manager.

Your manager should complete the *Receipt of Notice of Injury or Disease* attached to these forms and return it to you for your records. If it is not returned to you, ask your manager for it.

You will likely have to complete and submit other forms and/or documentation depending on the nature of your disability and the benefits you are seeking. These forms and benefits are discussed below.

#### Workers' compensation benefits you may receive

If you sustain a work-related injury or disease, you may be entitled to certain benefits. These may include:

- Medical services,
- Continuation of your pay (COP),
- Compensation based on loss of wages,
- Compensation for the loss or loss of use of certain body parts and functions (*a schedule award*),
- Vocational rehabilitation services, and
- Certain survivor benefits.


Adjudication of your claim by the DOL is not immediate. Traumatic injury cases may require up to six weeks to be processed, and occupational disease cases may require up to six months to be processed.

#### Benefit 1: Medical services

You may be eligible for the medical services that treat, counteract, or minimize the effects of any condition that is a result of your work-related injury or disease. There is no limit on the amount of medical expenses that will be paid or

on how long they will be paid, as long as the charges are the reasonable and customary fees for the services involved and the need for treatment can be demonstrated.

However, the DOL uses a fee schedule for all medical and pharmacy payments.

 If you sustain a traumatic injury and require immediate medical treatment, you should have your manager complete Form CA-16, *Authorization for Examination and/or Treatment*. This form authorizes the initial medical treatment. The second portion of the form is completed by your physician. If you work in an office where a health unit is available, you may use its services for immediate emergency care or you may be treated by a physician of your own choice located within 25 miles of your residence or workplace. Except for a referral by your attending physician, only the DOL can authorize any change in a treating physician after your initial choice.

If you are medically unable to return to work (only qualified physicians may determine that an employee is disabled from work), call your manager and provide the return-to-work date that your physician has given you. It is up to you to give your manager, or arrange for him or her to be given, any medical evidence of a disabling injury within 10 workdays of the date your disability begins. Your attending physician must authorize any absence due to a traumatic injury in order for you to be eligible for continuation of pay or compensation.

You are entitled to all services, appliances, and supplies that qualified physicians (see definition below) prescribe or recommend that are likely to cure, relieve, reduce the degree or length of time of your disability, or help in lessening the amount of monthly compensation you receive. Medical documentation must explain and support all services you receive in order for payment to be processed. Preventive care is not authorized.

*Physicians* include surgeons, osteopathic practitioners, podiatrists, dentists, clinical psychologists, optometrists, and chiropractors (only for certain types of treatment) within the scope of their practice as defined by State law. Naturopaths, faith healers, and other practitioners of the healing arts are not considered physicians for workers' compensation benefits.

The DOL must approve some forms of medical treatment or services in advance in order to guarantee payment. The medical provider should request such authorization directly from the DOL in writing. These include:

- Non-emergency surgery,
- Private hospital room accommodations,
- Hospital beds, traction apparatus, wheelchairs, and similar equipment,
- Orthopedic appliances and shoes,
- Nursing home care, and
- Courses of physical therapy.

### **Benefit 2: Continuation of your pay (COP)**

You may be eligible for a continuation of your pay (COP), which is paid by the IRS, without any charge to your sick or annual leave balances for up to 45 calendar days due to disability and/or medical treatment following a traumatic injury. COP is not automatic. The actual number of days used is determined by the nature of the injury and the medical documentation provided. After you have used all the time you are entitled to with COP, you may apply for compensation based on loss of wages, which is paid by the OWCP (see Benefit 3, below), or use your sick or annual leave.

✎ If you have sustained an occupational disease, you are not entitled to COP. If you are disabled and unable to return to work due to an occupational disease, you may use your own sick and/or annual leave or request leave without pay (LWOP) from your manager.

✎ Applying for COP involves:

- Within 30 days following the traumatic injury: submitting a Form CA-1, *Federal Employee's Notice of Traumatic Injury and Claim for Continuation of Pay/Compensation*,
- Within 10 calendar days following the traumatic injury: providing your manager with medical documentation to support your claim for COP, and submitting a Form CA-17, *Duty Status Report*, that shows when you can return to work.

☛ COP is not authorized under certain conditions described in Item 35 of the instructions that accompany Form CA-1. If the DOL denies your claim for benefits, any authorized COP will be revoked and the time you were absent will be counted as sick leave, annual leave, or LWOP.

COP is considered income for tax purposes.

Generally, COP is calculated starting with the first day you are absent after the day on which the injury occurred. If you are medically determined to be unable to return to work on the day on which the injury occurred, you are entitled to excused absence for the remainder of that day if the injury occurred after the beginning of your tour of duty.

COP includes each workday you are absent for any part of the day, and non-work days, including holidays, weekends, and AWS days off, when surrounded by COP. You don't necessarily have to use COP on consecutive days, but you must use any COP you are entitled to during a 45-day period beginning with the date you first return to work following the initial disability.

### **Benefit 3: Compensation based on loss of wages**


- You may apply for compensation based on loss of wages:
- When you have used up or project that you will use up your time for COP, you cannot return to work, and you will enter a LWOP status, or

- From the beginning of pay loss if you were not entitled to COP and you will enter a LWOP status.

Compensation is paid at a rate of 66 $\frac{2}{3}$ % of your salary if you have no dependents or spouse. Otherwise, you are entitled to a compensation rate of 75% of your salary.

There is a three-day waiting period, without pay, unless your disability extends more than 14 days or you have a permanent disability.


Compensation payments for disability may continue as long as the medical evidence substantiates the disability.

 You and your manager will need to complete Form CA-7, *Claim for Compensation on Account of Traumatic Injury or Occupational Disease*. Your attending physician will need to complete Form CA-20, *Attending Physician's Report*, which is attached to the Form CA-7. This form provides medical support of your claim. Submit the Form CA-7 and CA-20 to your manager as soon as possible after you meet the above criteria.

If you are receiving compensation based on loss of your wages, which is paid by the OWCP, and you are likely to be on their rolls for longer than six months, the OWCP will continue to take deductions, if any, for your participation in the Federal Employees Health Benefits program or the Federal Employees' Group Life Insurance program. Once you return to work, the Service will again take the deductions for your participation in these programs. → For information on how your retirement contributions are impacted when you are in nonpay status due to workers' compensation, see the *Nonpay Status* chapter section on *Retirement contributions*.

#### **Benefit 4: Compensation for the loss or loss of use of certain body parts and functions**

You may be eligible for compensation (called a *schedule award*) for a specific amount of time if you have a permanent loss, or permanent loss of use, of certain body parts and functions. Partial loss or partial loss of use of these body parts and functions is compensated on a proportional basis.

 The DOL will notify you if you are eligible to apply for a *schedule award*. If you are, you need to submit a Form CA-7, *Claim for Compensation on Account of Traumatic Injury or Occupational Disease*.

#### **Benefit 5: Vocational rehabilitation services**

If you are disabled from work, you may be provided vocational rehabilitation services to help you return to gainful employment consistent with your physical, emotional, and educational abilities.

Through the DOL Nurse Intervention Program, nurses are assigned to individual claimants to help determine work restrictions and needed job

accommodations. Nurses meet with claimants' physicians and managers, and may accompany the claimant during medical appointments.

If you have an extended disability, you may be considered for rehabilitation services if you, your attending physician, or agency personnel request it. These services may include rehabilitation, training for employment in another IRS or other government position, or a position in the private sector.

The DOL reviews requests for vocational rehabilitation services on a case-by-case basis. Failure to participate in vocational rehabilitation services may result in the loss of workers' compensation benefits.

#### **Benefit 6: Certain survivor benefits**

If an employee's death is caused by or directly related to his or her official job duties, the survivor(s) are entitled to benefits in the form of compensation payments, funeral expenses, and transportation expenses for your remains, if necessary. If survivor(s) are also entitled to retirement benefits, a choice must be made as to which benefit to receive.

#### **Dual benefits**

The FECA prohibits *payment* of compensation and certain other Federal benefits at the same time. However, you may still *file* for benefits from more than one Federal program at the same time. If both benefits are approved, the employee or beneficiary must choose between them. The rules governing dual benefits are:

- You may not receive disability benefits (like those described above, except a schedule award) *and* a regular or disability retirement annuity (either Civil Service Retirement System (CSRS) or Federal Employees' Retirement System (FERS)), and
- Your beneficiary may not receive death benefits under the FECA *and* a survivor's annuity (either CSRS or FERS).
- Exception: an individual may receive disability benefits or an annuity from the Office of Personnel Management on his or her own behalf along with death benefits from another agency which are payable on account of a spouse's death.

☛ If you are receiving or have applied for Federal benefits other than workers' compensation, be sure to coordinate these benefits.

#### **Questionable claims**

If your manager has reason to doubt your claim for workers' compensation benefits, he or she can challenge it. However, the DOL makes the formal decision on whether you are entitled to benefits and compensation under the FECA. Their formal decision, whether affirmative or negative, includes a description of your appeal rights.


If you disagree with the DOL's formal decision, you can appeal it by requesting:

- A hearing,
- A reconsideration, or
- A review by the Employee's Compensation Appeals Board.

You may request only one form of appeal at a time.


### Returning to work

You are required to return to work as soon as you are medically able. When the physician providing your medical care certifies that you are able to perform light duties, you must advise your manager, who will make every effort to restructure your duties so that you are able to return to work during your recuperation period. COP or compensation may be terminated if you refuse work that is within your medical restrictions.

 A Form CA-17, *Duty Status Report*, is used to request information from a physician with regard to your ability to return to work. It is used most often during the period when COP is being granted, but may be used whenever you are disabled from a job-related injury. The Form CA-17 is completed by your manager and physician. Once the form has been completed by the treating physician, it should be returned to your manager to support your period of disability.

### Repurchasing leave

Following a work-related injury or disease, you may choose to use your sick or annual leave to avoid interrupting your income. This may happen if you have exhausted your COP and/or you are not applying for compensation based on loss of wages. If you do use leave, you may be able to "buy it back" if the Service agrees. Leave buy back requests must be received in the WCC within one year of the date the claim was approved or the last date of leave usage.

 To buy back leave, complete Form CA-7, *Claim for Compensation on Account of Traumatic Injury or Occupational Disease*, and give your manager any new medical evidence that supports the period of leave repurchase. You'll also need to complete Form CA-7A, *Time Analysis Form*, which shows the number of hours of leave charged for each day claimed and whether you used sick or annual leave. You can get this form, and others that you will need when buying back leave, from the Workers' Compensation Center (Employee Connection, menu 1).

If your claim is approved:

- You will owe the Service some money. The amount is the difference between the salary received (calculated at 66 $\frac{2}{3}$ % or 75% of your regular salary, depending on whether you have dependents) and the amount of compensation you would have received (your normal salary) had you initially elected leave without pay, and
- Your leave record will be changed from "leave with pay" to "leave without pay" for the period in question.



Forms relevant to workers' compensation

Name of form	Available from
CA-1, <i>Federal Employee's Notice of Traumatic Injury and Claim for Continuation of Pay/Compensation</i>	Employee Connection, menu 3
CA-2, <i>Notice of Occupational Disease and Claim for Compensation</i>	
CA-2A, <i>Federal Employee's Notice of Recurrence of Disability and Claim for Continuation of Pay/Compensation</i>	
CA-7, <i>Claim for Compensation on Account of Traumatic Injury or Occupational Disease (CA-20, Attending Physician's Report, is attached)</i>	
CA-7A, <i>Time Analysis Form</i>	Worker's Compensation Center
CA-16, <i>Authorization for Examination and/or Treatment (for managers only)</i>	Employee Connection, menu 3
CA-17, <i>Duty Status Report</i>	
CA-550, <i>Federal Injury Compensation Questions and Answers about the Federal Employees' Compensation Act</i>	
CA-915, <i>Claimant Medical Reimbursement Form</i>	

# Leaving the IRS

You might leave the IRS for many reasons: you might quit or resign, retire, or be involuntarily separated, such as through a reduction in force (RIF) action. In all cases, there are actions you must take and decisions you may have to make about the benefits you are entitled to before you go.

→ Retirement is a separate chapter in this Guide.

## UNUSUAL CASES


*Buyouts* are a means of benefiting the Service's financial or restructuring needs and involve offering a fixed amount of cash in exchange for leaving IRS employment. Buyouts are directed by legislation. If Congress approves a buyout option, it is generally up to the IRS to decide where and to whom buyouts will be offered. You will receive the appropriate information if and when buyouts are offered.

For *reduction in force* (RIF) actions, the IRS must follow procedures from the Office of Personnel Management (OPM). These procedures are published in Part 351 (members of the Senior Executive Service fall under Part 359 Subpart F) of Title 5, Code of Federal Regulations and their Workforce Restructuring Handbook. Release of an employee is based on many factors, including an employee's tenure, veteran's preference, length of service, and performance appraisals. You will receive the appropriate information if a RIF is being planned.

*Removal from service.* There are procedures prescribed by IRM 0432 and 0752 for all employees that must be followed before a removal can take place. There are supplemental procedures in the IRS/NTEU NORD/NC VI Agreements for bargaining unit employees.


## SCHEDULE OF SEPARATION ACTIONS

In more common cases of leaving the IRS, such as quitting or resigning, you will need to take several actions to ensure that your separation process proceeds as quickly as possible. Use the following checklist to check off items as you complete them.

- ☐  **Notify your manager of your intent to leave the IRS.** If possible, you should give your manager two weeks' notice, and more is better. You'll need to do it in writing and include your reason for leaving, the proposed date of your leaving, your forwarding address, your signature, and the date of the notification. You may withdraw this notification at any time *before its effective date as long as you give your manager a written notice before a commitment is made to fill your position.* Be specific when giving your reason for leaving. Vague reasons may result in delay or denial of benefits to which you are entitled.
- ☐ **Satisfy all of your financial obligations.** Financial obligations are all monies you owe the Service, including payroll debts, advanced annual leave and/or sick leave, outstanding travel advances, debts resulting from unreturned property and equipment, relocation monies received, and outstanding emergency salary payments.

→ See the Pay chapter (section on Payroll debts owed to the Service for more information.

☛ If you do not resolve these financial obligations before you leave, your final salary and/or lump sum leave payments may be delayed or reduced by the amount you owe.

- ☐ **Satisfy all of your property obligations.** You must return all accountable government property and equipment to your manager or to the functional office that issued the property. This includes laptop computers, pagers, cell phones, and credit and phone cards. You will also need to return your identification badge, card key(s), credentials, pocket commission, and any other Service-issued identification, and any desk, cabinet, and door keys to your manager.
- ☐  **Sign and date a Form 5389, *Separating Employee Clearance Certification*,** that you get from your manager and return it to your manager. Form 5389 can be ordered through Employee Connection, menu 3.
- ☐ **Ensure that your manager submits an SF-52, *Request for Personnel Action*,** that initiates your leaving process.
- ☐ **Receive a separation package from your Transactional Processing Branch (TPB)** which will include information on such benefits as unemployment compensation, health and life insurance, and the Thrift Savings Plan (→ see the list at the end of this chapter).
- ☐ **Call the ERC** if you have additional questions.

## HOW CERTAIN BENEFITS ARE TREATED

☛ Contact the ERC if you have additional questions about leaving the IRS.

### Final salary check

Unless you have an outstanding financial obligation to the Federal government, you should receive your final salary check for the hours you worked during your last pay period soon after the regular payday for that pay period.

### Unused annual leave

A number of things may happen to your unused annual leave when you leave the IRS.

If you leave the IRS and take a job in another Federal agency without a break in service of more than three days and in a position that uses the same leave system, your TPB will transfer your annual leave balance to your new agency.

If you leave Federal service altogether (including retirement), you will be paid a lump sum equal to the value of your unused annual leave as long as you meet the requirements described earlier under *Schedule of separation actions*. If you meet these requirements, you can expect your lump sum payment approximately two pay periods after you leave the IRS.

This lump sum payment covers the period of time you would have been on annual leave if you had used it. If you are reemployed by the Federal government

Employees who are leaving the IRS (other than for retirement) will receive a separation package from their servicing TPB. A list of forms contained in that package is at the end of this chapter.

before the end of this period of time, you will owe the IRS an amount equal to the value of the unused leave. This unused leave will be credited to your annual leave balance, except for the excess (any amount over 240 hours) that you cannot carry into a new leave year. You will forfeit that excess even though you have paid for it.

#### Unused sick leave

You are not paid for the value of any sick leave you have when you leave the IRS.

If you leave the IRS and take a job in another Federal agency without a break in service of more than three days and in a position that uses the same leave system, your TPB will transfer your sick leave balance to your new agency.

If you leave the IRS and are later reemployed by the Federal government in a position that uses the same leave system, you will begin your new position with the sick leave balance you had when you left the IRS.

If you are leaving the IRS because you are retiring, the disposition of your sick leave balance depends on which retirement system you are covered under.

→ You should read the appropriate sections in the *Retirement* chapter.

#### Federal Employees Health Benefits (FEHB) coverage

What happens to your FEHB coverage when you leave the IRS depends on the circumstances of your leaving.

If you leave the IRS and take a job in another Federal agency without a break in service of more than three days, your TPB will transfer your FEHB enrollment to your new agency. Be sure to review your first Statement of Earnings and Leave from your new agency to ensure that the proper FEHB premium is being withheld.

→ If you leave the IRS because you are retiring and you are eligible to continue your FEHB coverage after retirement, see the section on *How certain benefits are treated* in the *Retirement* chapter.

If you separate from the Federal service other than by retirement or you retire and you are ineligible to continue your FEHB coverage into retirement, you have two options. You can:

- Elect Temporary Continuation of Coverage (TCC) (unless you are separated involuntarily for gross misconduct). You will be given an opportunity to convert to a nongroup health benefits contract (discussed below) once TCC ends or
- Convert to a nongroup health benefits contract.

Here is how conversion to the nongroup health benefits contract works. The nongroup contract would be with the current health benefits plan you are enrolled in as a Federal employee. It may differ from the group plan in benefits, cost, or both. You will pay the entire cost of the nongroup plan. During a

➔ For more information on TCC, see RI-70-5, *The Guide to Federal Employees Health Benefits Plan (for TCC and Former Spouse Enrollees)*. You can order it from Employee Connection (menu 3), and your TPB should also send you this *Guide* in your separation package.

31-day temporary extension of your regular coverage, you may convert to the nongroup health benefits contract without a medical exam. TCC is an option that allows you to either continue coverage under your current plan and option or elect another plan and option for which you are eligible. If you choose either of these, your coverage will continue for up to 18 months. During that time, you will have to pay both the government and your share of the premium, plus a 2% administrative fee.

You may elect TCC (unless you were separated involuntarily for gross misconduct) within 60 days after you leave the IRS or after the TPB notifies you about TCC (in your separation package), whichever is later.

### Federal Employees' Group Life Insurance (FEGLI) coverage

What happens to any FEGLI coverage you have when you leave the IRS depends on the circumstances of your leaving.

If you leave the IRS and take a job in another Federal agency without a break in service of more than three days, your TPB will transfer your FEGLI enrollment to your new agency. Be sure to review your first Statement of Earnings and Leave from your new agency to ensure that the proper FEGLI premium is being withheld.

➔ If you leave the IRS because you are retiring, you may be eligible to keep your FEGLI coverage. See the section on *How certain benefits are treated in the Retirement* chapter.

If you leave Federal service altogether, your FEGLI coverage will continue for 31 days after the date you leave the Service. During this period, you may convert to an individual life insurance policy without a medical examination. You can find information on conversion on the back of SF-2819, *Notice of Conversion Privilege (Federal Employees' Group Life Insurance)*, which you will receive from your TPB when you leave Federal service.

### Unemployment compensation

Depending on why you are leaving Federal service, you may be entitled to unemployment compensation benefits. The state in which you worked is responsible for this program and your eligibility will be determined by your state's provisions.

✍ You should apply for unemployment compensation benefits at your nearest State Unemployment Office. Be sure to bring with you:

- Your SF-50, *Notification of Personnel Action*, that is your official notice of leaving the IRS,
- An SF-8, *Notice to Federal Employees About Unemployment Insurance*, and
- Your Social Security card.

You will receive these first two forms in the separation package you get from your TPB.

### Getting a refund of your retirement contributions

If you are leaving Federal service and you are not eligible to retire on an immediate annuity, you may withdraw your contributions to your retirement fund if you meet certain eligibility criteria. However, before you decide to withdraw your retirement contributions, consider the following:


- If you withdraw your Federal Employees' Retirement System (FERS) contributions and later return to Federal service, you cannot redeposit those contributions into the retirement fund. Therefore, you will not receive retirement credit for any of the FERS service covered by the refund. That is, the service time covered by the refund will not count toward length of service for retirement eligibility purposes nor in computing your future retirement annuity.
- If you withdraw your Civil Service Retirement System (CSRS) contributions and later return to Federal service, you may redeposit those contributions into the retirement fund. However, if you received your refund after September 30, 1985, you will be charged interest on the refunded contributions, which will be computed annually at a variable rate determined by the Department of the Treasury. If you received a refund between 1948 and September 30, 1982, you will be charged a 3% interest rate compounded annually.

→ A court order (often related to a divorce or separation) can divide a refund of employee retirement contributions.

To withdraw your retirement funds, you will need to apply directly to the OPM. If you are covered by CSRS, complete SF-2802, *Application for Refund of Retirement Contributions (CSRS)*. If you are covered by FERS, complete SF-3106, *Application for Refund of Retirement Deductions (FERS)*. You can order these forms from Employee Connection (menu 3), and they will also come in the separation package that your TPB sends you.

These are the criteria you must meet to get the refund:

- You are separated from Federal service for at least 31 consecutive days or you transfer to another position in the Federal service in which you are not subject to civil service retirement deductions and you remain in that position for at least 31 consecutive days,
- You are not reemployed in a position subject to civil service retirement deductions at the time you file for a refund,
- You will not become eligible to receive a retirement annuity within 31 days after filing for a refund, and
- You notify your current spouse if you are married. If you have at least 18 months of creditable civilian service subject to retirement deductions, you must also notify any former spouse(s) to whom you were married at least nine months (a) regardless of when you were divorced if you are covered by FERS or (b) from whom you were divorced after May 6, 1985, if you are covered by CSRS.

 Contact the ERC if you have additional questions about leaving the IRS.

### Thrift Savings Plan (TSP)

→ You should see the chapter on *Planning for Your Financial Future* in this *Guide* and its section on the *Thrift Savings Plan* for important information about your options with your TSP account when you leave the IRS.

### Forms relevant to leaving the IRS

**You should receive the following forms from your TPB when you begin your separation process:**

*RI-70-5, The Guide to Federal Employees Health Benefits Plan (for TCC and Former Spouse Enrollees)*

*SF-8, Notice to Federal Employees About Unemployment Insurance*

*SF-293, Notification to Separated Employees Concerning Disposition of Official Personnel Folder/Merged Records Personnel Folder and Employee Medical Folder*

*SF-2802, Application for Refund of Retirement Contributions (Civil Service Retirement System)*

*SF-2809, Health Benefits Registration Form (Federal Employees Health Benefits Program)*

*SF-2810, Federal Employees Health Benefits Notice of Change in Health Benefits Enrollment*

*SF-2819, Notice of Conversion Privilege (Federal Employees' Group Life Insurance)*

*SF-2821, Agency Certification of Insurance Status*

*SF-3106, Application for Refund of Retirement Deductions (Federal Employees' Retirement System)*

*TSP-6, Thrift Savings Plan Statement Regarding Spouses*

*TSP-7, Thrift Savings Plan Election of Benefits*

*TSP-9, Change of Address for Separated Participants*

*TSP-70, Thrift Savings Plan Withdrawal Request*

*TSP-70T, Thrift Savings Plan Transfer Information*

*TSP-536, Important Tax Information About Payments Made From Your TSP Account*

# Retirement

*In the Federal government, there are two primary retirement systems:*

- The Civil Service Retirement System (CSRS) and the CSRS-Offset Plan and
- The Federal Employees' Retirement System (FERS).

*This chapter explains the different systems and the effect retirement has on certain benefits.*

## CIVIL SERVICE RETIREMENT SYSTEM (CSRS)

Any SF-50 that you receive reflects your retirement code in item 30. If you have questions regarding the retirement coverage code reflected there, contact a Retirement Specialist by calling the ERC for clarification.

If you were hired before January 1, 1984, you are under CSRS unless you elected to transfer to FERS. The CSRS is closed to new members.

If you are covered under CSRS, the retirement coverage code on your SF-50, *Notification of Personnel Action*, is "1," or "6" if you are a CSRS law enforcement officer.

### How much you contribute to the CSRS

You currently contribute 7% of your basic pay to the CSRS annuity fund. You also pay an additional 1.45% of your total pay toward the Medicare tax (Part A).

### How much the IRS contributes to the CSRS

The Service currently pays 8.51% of your basic pay to the annuity fund (9.01% if you are a CSRS law enforcement officer). In October of 2002, the agency contribution will decrease to 7.5% (8.0% for CSRS Law Enforcement) and in January of 2003, the agency contribution will decrease to 7.0% (7.5% for law enforcement). In addition, the Service pays 1.45% of your total pay toward the Medicare tax (Part A).

### Excess deductions

The facts that follow below (and more) can be found in Chapter 50 (page 20) of the CSRS/FERS handbook at this OPM link: <http://www.opm.gov/asd/htm/hod.htm>

- When an employee retires, retirement contributions (excess deductions) withheld after 41 years, 11 months of service are first used to pay any civilian deposits or redeposits an employee may owe. **Exception:** Excess deductions are not automatically applied toward a redeposit due for civilian refunded service that ended before October 1, 1990.
- If the employee does not owe a deposit or redeposit, the employee may receive a lump-sum payment of the excess deductions (paid with 3 percent interest compounded annually to the date of retirement) or use the deductions to purchase additional annuity.
- OPM will advise the retiree by letter of the amount of additional annuity the excess deductions and interest would purchase. If the retiree returns the excess deductions and interest to OPM, this amount is treated as voluntary contributions and the annuity is recomputed accordingly.



#### **How your civilian government service counts toward retirement**

The length of time you work in civilian government service while covered by the CSRS is used to determine your eligibility to retire and to compute your annuity. This is called your *creditable* service. If you are a seasonal employee, you receive credit for all the time you worked plus credit for up to six months of leave without pay each calendar year after 10-1-80.

#### **How your military government service counts toward retirement**

Your honorable active duty military service performed before 1957 is creditable for retirement. However, if you performed your military service after December 31, 1956, you may have to make a deposit equal to 7% of your military basic pay, plus interest, if applicable, to receive or retain credit for the service:

- If you were first hired in a position subject to CSRS before October 1, 1982, you will receive credit for your post-1956 military service up to age 62. After age 62, you will receive credit in your annuity computation for your post-1956 military service only if:
  - you are not entitled, or if you applied you would not be entitled, to monthly Social Security benefits at age 62 (or at the time your retirement annuity begins, if later) or
  - you made the deposit of 7% of your military basic pay before you retired under CSRS.
- If you were first hired into a position subject to CSRS after September 30, 1982, you will not receive credit for post-1956 military service for either retirement eligibility or your annuity computation unless you make the deposit of 7% of your military basic pay before you retire.

☛ If you are a military retiree, you must waive your military retirement pay and pay a deposit to receive credit for *any* military service used to determine your length of service requirement and to compute your annuity. There are rare exceptions. Talk to a Retirement Specialist by calling the ERC for more information.

→ If you are planning to retire, you will need to read *How certain benefits are treated* later in this chapter.


### Figuring the amount of your post-1956 military deposit

The amount of military deposit due is 7% of the basic pay earned during your military service performed on or after January 1, 1957, plus interest, if applicable. However, if your military service interrupted civilian service that is creditable under CSRS and you properly exercised restoration rights on or after August 1, 1990, the deposit is the lesser of the normal military deposit based on military basic pay or the amount of CSRS deductions that would have been withheld had you not entered the military, plus interest.

If you were employed before October 1, 1983, interest started accruing on October 1, 1985. The earliest possible interest posting for your unpaid military service deposit was October 1, 1986. If you were first employed on or after October 1, 1983, interest began accruing two years from your entrance on duty date.

For a deposit or any part of a deposit not paid within the time limits above, interest will be charged at a rate that varies from year to year. The interest rate for 1985 was 13%; for 1986, 11.125%; for 1987, 9%; for 1988, 8.375%; for 1989, 9.125%; for 1990, 8.75%; for 1991, 8.625%; for 1992, 8.125%; for 1993, 7.125%; for 1994, 6.25%; for 1995, 7%; for 1996, 6.87%; for 1997, 6.875%; for 1998, 6.75%; for 1999, 5.75%; for 2000 5.875%; for 2001 6.375%; and, for 2002, 5.500%.

### How to make your post-1956 military deposit

 If you decide to pay this deposit and any interest owed (by either lump sum or installment payments), complete SF-2803, *Application to Make Deposit or Redeposit (Civil Service Retirement System)*, and RI-20-97, *Estimated Earnings During Military Service*. To order these forms, call Employee Connection, menu 3.

Forward the RI-20-97 with a copy of your DD-214 (military discharge certificate) or equivalent, and any available records of pay or promotions, to the appropriate military pay center. When you have received the earnings information, return it with the SF-2803 to the Benefits and Services Team (BeST) site in your region (get the address from this *Guide's Appendix*). If you do not have a DD-214 or equivalent, you can request SF-180, *Request Pertaining to Military Records* (Employee Connection, menu 3) to have your service verified before submitting the RI-20-97 to the military pay center.

You must complete your post-1956 military deposits before final adjudication of your retirement. A Retirement Specialist can provide you with your outstanding balance at retirement. You may then make a lump sum payment to complete the deposit.

## Retirement options

➔ If you plan to be reemployed in the Federal government after retirement, see the *Reemployment After Retirement* chapter.

☛ Retirement requires planning. Consult the checklist at the end of this chapter to ensure that you are properly informed of all the decisions you have to make and the actions you have to take. Call the ERC and talk to a Retirement Specialist at the time you are considering retirement.

Retirement planning seminars are provided for employees who are within six (6) years of optional retirement eligibility. Employees are entitled to attend one (1) IRS retirement planning seminar on official time. Employees may attend additional retirement planning seminars on annual leave, credit hours, or compensatory time, if applicable. The seminars are conducted via IVT on a quarterly basis and topics include information on CSRS/FERS retirement benefits, Social Security, the Thrift Savings Plan, the Federal Employees Health Benefits Program, and the Federal Employees' Group Life Insurance Program. If employees are not able to attend an IRS seminar, they can order a closed-captioned videotape or CD-ROM through Employee Connection, menu 4.

All employees can attend one pre-retirement seminar without cost or charge to leave. If you want to attend more than one seminar, it depends on:

- Available seminar space, and
- Your manager's approval. Absent severe work interruption, your manager will not ordinarily disapprove such a request, but you will have to use your own leave to attend the seminar.

If you are within six years of voluntary retirement, you will automatically be notified of scheduled seminars.

CSRS (and CSRS-Offset) employees may qualify for several retirement options:

- Optional (voluntary) retirement,
- Disability retirement,
- Discontinued service retirement (DSR),
- Early retirement, or
- Deferred retirement.

The age and length of service requirements vary depending on the option(s) for which you are eligible and are different for CSRS law enforcement officers. The way your annuity is calculated is also based on which option you are eligible for and many other factors. When you receive your annuity also varies. You will find all of this information in later sections of this chapter.

☛ Call the ERC to talk with a retirement specialist if you are considering applying for disability retirement.

If you are considering changing to a part-time work schedule or have part-time service performed on or after April 7, 1986, read the section in this chapter "How Part-Time Service Can Affect My Family."

For *optional retirement*, you are eligible to receive an immediate annuity with full benefits at age 55 with 30 years of creditable service, age 60 with 20 years of creditable service, or age 62 with five years of creditable service. You must have been covered under CSRS for one of the last two years before your retirement.

To qualify for *disability retirement*, you must have at least five years of creditable civilian service. There are no age requirements. You must be subject to a medical condition that is expected to continue for at least one year that prevents you from giving useful and efficient service in your current position, and the Service is unable to reassign you and/or provide you reasonable accommodation at the same grade level.

To qualify for *discontinued service retirement (DSR)*, you must meet all of the following criteria:

- Be age 50 with 20 years of creditable service or any age with 25 years of creditable service,
- Have at least five years of creditable civilian service,
- Have been covered under CSRS one of the last two years before your retirement,
- Have received a specific written notice of involuntary separation from your position or from the Service for reasons other than misconduct or delinquency, signed by your head of office, and
- Have not declined a *reasonable offer*. Within IRS, a *reasonable offer* is any offer of another position within your commuting area, for which you are qualified, and that is within two grade levels of your current position.

An *early retirement*, more commonly known as an *early out*, permits you to retire in advance of meeting your optional retirement requirements when you meet all of the following criteria:

- The Office of Personnel Management (OPM) has given the Service the authority to offer early retirement and your position is included in the authorization,
- You have been in your position for at least 30 days before retiring and you leave by the last day of the *early out* period,
- You are at least age 50 with 20 years of creditable service or any age with 25 years of creditable service when you leave, and
- You have been covered under CSRS one of the last two years before retirement.

NOTE: The fact that your agency has the authority to offer early out retirements, does not mean you can just decide to retire under this option. — You must be offered an early out retirement by your agency.

A *deferred retirement* is based on leaving the Service before you are eligible to retire. To qualify, you must have been covered under CSRS one of the last two years before the date of separation on which your retirement is based, have five or more years of creditable civilian service for which you did not receive a refund of your retirement contributions from the OPM, and be age 62.

☎ Call the ERC to talk  
with a Retirement  
Specialist.

### How Part-Time Service Can Affect My Annuity

If you are a CSRS or CSRS-Offset employee who has worked a part-time work schedule, or are contemplating changing to a part-time work schedule, at any time since April 7, 1986, the amount of annuity you receive will be affected. It is strongly recommended that you contact a Retirement Specialist to determine exactly what affect your schedule will have on your annuity.

- Your retirement annuity computation will be based on the combination of two calculations which break down your accumulated length of service credit as follows:
  - Your total length of service through April 6, 1986, including the total unused sick leave as of the date of retirement, will be computed using an ACTUAL average high-three salary (defined below) and the general retirement formula shown in *Computing your CSRS Annuity* below.
  - Your total length of service from April 7, 1986 through your date of retirement will be computed using a DEEMED average high-three salary (defined below), the general retirement formula shown in *Computing your CSRS Annuity* below and a CSRS pro-ration factor (defined below).
- ACTUAL average high-three salary for the pre-April 7, 1986 is defined as the average pay computation for basic annuity, which is based on actual rates paid. The rates of basic pay for part-time service are pro-rated according to your part-time tour of duty, including part-time service after April 6, 1986, that is included in the average pay computation. If you worked in excess of your scheduled tour of duty, provide those pay records to your Retirement Specialist, so that actual earnings can be used to compute the average salary.
- DEEMED average high-three salary for the post-April 6, 1986 is defined as the average computation for basic annuity, which is based on any period of 3 consecutive years of your service that will produce the highest average.
- CSRS pro-ration factor is defined as a fraction, expressed as a percentage rounded to the nearest percent, which is reached by taking your total accumulated service credit (both part-time and full-time) during the period of April 7, 1986 through your date of retirement and dividing it by the total full-time hours possible from April 7, 1986 through your date of retirement.

EXAMPLE: Jamie Osborne, born December 17, 1932, began working for the IRS on June 2, 1980 and is retiring effective December 31, 1994. She began working part-time on June 12, 1988 (32 hours per week) and then decreased her hours effective September 6, 1990 to 24 hours per week. At the time of retirement she is working 24 hours per week. Her sick leave balance at her retirement is 803 hours.

- Pre-April 7, 1986 computation for service credit:
 

1986 - 04 - 06	07	(add 1 day)
- 1980 - 06 - 02		(eod date)
05 - 10 - 05		
+ 04 - 19		(sick leave)
06 - 02 - 24		

- Post-April 6, 1986 computation for service credit:

$$\begin{array}{rcl}
 1994 - 12 - 31 & & \text{(retirement date)} \\
 - 1986 - 04 - 07 & & \\
 \hline
 08 - 08 - 24 & & \\
 + & & 24 \text{ (left from above)} \\
 \hline
 08 - 09 - 18 & & \text{(18 days dropped)}
 \end{array}$$

Jane's salary history is as follows:

Effective Date	Full-time Rate	Actual Rate Paid	Tour of duty
01/08/84	\$18,369	\$18,369	40/40
01/06/85	\$19,012	\$19,012	
05/15/86	\$19,606	\$19,606	
01/04/87	\$20,194	\$20,194	
01/03/88	\$20,598	\$20,598	
05/16/88	\$21,222	\$21,222	
06/12/88	\$21,222	\$16,977	32/40
01/01/89	\$22,093	\$17,674	
01/14/90	\$22,887	\$18,309	
05/19/90	\$23,560	\$18,848	
09/06/90	\$23,560	\$14,136	24/40
01/13/91	\$24,528	\$14,716	
01/12/92	\$25,556	\$15,333	
05/21/92	\$26,286	\$15,771	
01/10/93	\$27,259	\$16,355	
01/09/94	\$28,412	\$17,047	

ACTUAL high-three average salary occurs during her full-time service and equals \$19,779 — this will be used in the pre-April 7, 1986 computation as follows:

- A. ACTUAL high-three average salary is multiplied by the general formula retirement factor for 6 years, 2 months (service credit prior to April 7, 1986).
- $$\$19,779 \times .095417 = \$1,887.25 \text{ (Pre-April 7, 1986 basic annuity)}$$

The CSRS pro-ration factor in this case is 75%.

DEEMED high-three average salary occurs during her last three years of credible service and equals \$27,197 — this will be used in the post-April 6, 1986 computation, along with the CSRS pro-ration factor as follows:

- A. DEEMED high-three average salary is multiplied by the general formula retirement factor based on the appropriate tier of the annuity formula and total the results:
- $$\begin{array}{rcl}
 .0175 \times 3.833333 & = & .067083 \text{ (3 years, 10 months)} \\
 + .02 \times 4.916667 & = & .098333 \text{ (4 years, 11 months)} \\
 \hline
 & & .165416 \text{ (post-April 6, 1986 retirement factor)} \\
 \$27,197 \times .165416 & = & \$4,498.82 \times .75 = \$3,374.12 \text{ (Post April 6, 1986 basic annuity)}
 \end{array}$$

To complete the computation, you combine the two figures by adding the pre-April 7, 1986 basic annuity to the Post-April 6, 1986 basic annuity, as follows:

$$\begin{array}{r} \$1,887.27 \\ + \$3,374.12 \\ \hline \$5,261.37 \end{array}$$

To reach your monthly annuity, you divide the annual combined basic annuity by 12 months:  $\$5,261.37 \div 12 = \$438$ .

NOTE: The reductions for age, unpaid deposit, survivor annuity, and unpaid redeposit do not apply in this example shown above.

#### Retirement provisions for CSRS law enforcement officers

If you work in a position that the Service has designated as a law enforcement position:


- You *may* retire at age 50 or older with at least 20 years of creditable law enforcement service (excluding military service or sick leave). Generally, you will be *required* to retire (this is referred to as *mandatory* retirement) at age 57 if you have 20 years of law enforcement service,
- Your annuity will not be reduced if you retire under age 55,
- You will pay 7.5% of your basic pay toward your retirement, and
- Your annuity will be 2.5% of your high-three average salary multiplied by your years of service up to 20 years, plus 2% of the high-three average salary multiplied by all years of service over 20 years, plus unused sick leave.

#### Computing your CSRS annuity

The computation for most CSRS annuities are the same.


The general formula for computing your annuity for optional retirement, DSR, early retirement, and deferred retirement is:

- 1.5% of the high-three average salary (highest pay over any consecutive three-year period) multiplied by your first five years of service, plus
- 1.75% of the high-three average salary multiplied by your service between five and 10 years, plus
- 2% of the high-three average salary multiplied by your years and months of service over 10 years.

 Call Employee Connection and select menu 5 for an estimate of your annuity for:

- Optional retirement,
- Disability retirement,
- Discontinued service retirement, or
- Early retirement.

Select menu 3 to order a retirement package.

 For early retirement and DSR, there will be a 2% reduction in your annuity for each year you are under age 55.

The formula is different for computing a disability retirement annuity. If you are under age 60 when you become disabled, the law guarantees you a minimum annuity when you retire under disability provisions. If your "earned" annuity (computed under the formula above) is less than the guaranteed minimum, the guaranteed minimum becomes your basic annuity.


The guaranteed minimum is the lesser of:

- 40% of your high-three average salary or
- The amount obtained under the general formula after increasing your actual creditable service by the time remaining between the date of your leaving and age 60.

The guaranteed minimum offers you no advantage if you have completed more than 21 years and 11 months of service or are at least 60 years old.

### Voluntary contributions

In addition to your mandatory contributions to the CSRS retirement fund, you may make voluntary contributions to allow you to receive a larger annuity than would be payable based on your service and high-three salary or to use as a savings or investment option.

 If you want to open a voluntary contributions account, complete and follow the instructions on SF-2804, *Application to Make Voluntary Contributions (Civil Service Retirement System)*. The OPM will assign you an account number and provide instructions for making contributions after approving your application. Do not send money with your application. The OPM will not accept contributions until your application has been approved.

The following are conditions and terms for making voluntary contributions:

- *Who may not make voluntary contributions.* If you owe a deposit or redeposit for civilian service (see the later section on *Reduced annuity*) you are not eligible to make voluntary contributions until you pay the deposit or redeposit. Also, if you have previously made voluntary contributions and received a refund of those contributions, you may not make voluntary contributions again, unless you have had a break in service of three calendar days after receiving the refund.
- *Amount you can contribute.* You can only make voluntary contributions in multiples of \$25.00. Your total voluntary contributions cannot exceed 10% of the total basic pay you have received during all of your Federal service at the time you make each deposit.
- *Interest earned.* Voluntary contributions earn a variable interest rate determined by the Department of the Treasury each calendar year. The interest credited to each voluntary contribution account is compounded annually on December 31. If you retire from Federal service with an annuity that is immediately payable, interest on your voluntary contributions account will continue to accrue until the date you retire. If you leave Federal service with entitlement to a deferred annuity at age 62, interest will continue to accrue on your voluntary contributions account until the starting date of your annuity. However, if you leave Federal service and take a refund of your voluntary contributions, or if you are not entitled to a deferred annuity, interest accrual will cease on the date you retire from Federal service.
- *Amount of additional annuity.* At retirement, each \$100 that you have put in a voluntary contributions account, including earned interest, will provide you an additional annuity of \$7 a year, plus \$.20 for each full year that you are over



age 55. You may also elect a reduced additional annuity to provide a survivor benefit. Voluntary contributions are not increased by cost-of-living adjustments (COLAs).

- *Withdrawing your voluntary contributions.* You may withdraw your voluntary contributions with interest at any time before receiving an additional annuity based on those contributions. If you take a refund of your voluntary contributions, any accrued interest is taxable in the tax year in which it is received. If you withdraw your contributions before age 59½ or before retirement, the interest paid may also be subject to a 10% early withdrawal penalty. If you roll the interest over into an Individual Retirement Account (IRA), it will not be taxable and no penalty will apply. Any additional annuity that comes from voluntary contributions is taxed under the "General Rule."  
→ See IRS Publication 721, *Comprehensive Tax Guide to U.S. Civil Service Retirement Benefits*, for additional information (Employee Connection, menu 3).

#### When you will receive your CSRS annuity

When you receive your annuity depends on the type of retirement option you are eligible for.

The starting date of your optional retirement and early retirement annuity will begin on the actual day after you leave the Service if your last working day is the last day of the month or the first, second, or third day of the month; otherwise, your annuity will start on the first day of the following month.

Your disability annuity will begin on the day after you leave the Service or the day after your pay status ends and you meet the length of service requirement and other disability criteria.

Your DSR annuity will generally begin on the day after you leave the Service.

Your deferred annuity will begin on your 62<sup>nd</sup> birthday, and you should apply for it at least 60 days before your 62<sup>nd</sup> birthday. Send the application for your deferred annuity to: Office of Personnel Management, Civil Service Retirement System, Employee Service and Records Center, Boyers, PA 16017.

A court order (often related to a divorce or separation) can divide a retirement annuity. Retirement benefits can also be garnished for alimony, child support, or in cases involving child abuse. Contact a Retirement Specialist by calling the ERC for more information on court-ordered entitlements.

#### Alternative Form of Annuity (AFA)

The Alternative Form of Annuity (AFA) is an option provided to certain retirees allowing them to withdraw all of their personal contributions to the Civil Service Retirement Fund and still receive an annuity. The only employees who may elect the AFA are those who are eligible for a nondisability annuity and who have a life-threatening affliction or other critical medical condition and have a life expectancy of less than two years. Employees who qualify for the AFA under this rule will receive only a lump sum payment.


☎ If you have questions on the AFA, contact a Retirement Specialist by calling the ERC.

### Reduced annuity

When you retire, your annuity may be reduced due to any of the following:

- You choose to have a reduced annuity in order to provide a survivor annuity for a current and/or former spouse(s),
- You had Federal civilian service that was not subject to retirement deductions and you do not make a *deposit* to receive full credit for the period of service, or
- You received a refund of your retirement contributions and you do not make a *redeposit* of your refunded contributions.

*Choosing a reduced annuity.* When you retire, you can choose to receive a reduced annuity in order to provide a survivor annuity for a current and/or former spouse(s). See a full explanation of your options in SF-2801, *Application for Immediate Retirement under the Civil Service Retirement System*.


*Deposit service.* You may have Federal civilian service that was not subject to retirement deductions (i.e., a temporary appointment). This is called *deposit service*. For deposit service you performed before October 1, 1982, your annuity computation will be reduced by 10% of the amount due, plus interest, unless you make a deposit. To receive credit for deposit service you performed after October 1, 1982, for annuity purposes, you must make a deposit, plus interest, to the OPM.  To make a deposit, complete an SF-2803, *Application to Make Deposit or Redeposit (Civil Service Retirement System)* (get the form from Employee Connection, menu 3), and return it to your Transactional Processing Branch (TPB).

*Redeposit service.* If you left the IRS and received a refund of your retirement contributions and were then re-hired, you may redeposit the refunded contributions. This is called *redeposit service*.

The dates of the service that the redeposit covered is important in figuring out how much to redeposit.

- If the refund was for service that ended before October 1, 1990, make the redeposit, plus interest, before OPM finishes processing your retirement claim to prevent an actuarial reduction of your annuity.
- If the refund was for service that ended on or after October 1, 1990, make the redeposit, plus interest, before the OPM finishes processing your retirement claim to receive any credit for the refunded service in your annuity.

Refunded service is always creditable for determining the length of service requirement.

 To make a redeposit, complete an SF-2803, *Application to Make Deposit or Redeposit (Civil Service Retirement System)* (get the form from Employee Connection, menu 3), and return it to your TPB.

## CIVIL SERVICE RETIREMENT SYSTEM OFFSET PLAN

### If you die in service

If you die in service, your spouse and children may qualify for a survivor annuity. → See the *Death in Service* chapter for more information.

The Civil Service Retirement System Offset Plan (commonly called *CSRS-Offset*) is a modified version of CSRS. As a CSRS-Offset employee, you are covered by both CSRS and Social Security, meaning that you are earning retirement credit under the CSRS computation formula as well as adding to any Social Security benefits you have already earned.

☛ Except for the item noted in this section, employees covered by CSRS-Offset are subject to CSRS provisions up to age 62. Therefore, you should refer to the previous section in this chapter on CSRS for information you will need.

### Who is covered under CSRS-Offset

You are covered under CSRS Offset if:

- You had a break in CSRS-covered service of at least 366 calendar days that ended after 1983, and had at least five years of creditable civilian service on January 1, 1987. If you have been re-hired under CSRS-Offset, you have the opportunity to transfer to FERS during the six-month period immediately following your reemployment or
- You were hired before January 1, 1984, acquired CSRS coverage after that date, and had at least five years of creditable civilian service on January 1, 1987.

If you are covered under CSRS-Offset, the retirement coverage code on your SF-50 is "C," or "E" if you are a CSRS law enforcement officer.

### How much you contribute to the CSRS-Offset

You pay the full Social Security tax (7.65% of your basic pay including the Medicare tax [Part A]), plus a reduced amount (0.8% of your basic pay) to the CSRS annuity fund. If you earn more than the maximum Social Security wage base in any year (\$84,900 for 2002), deductions for the Social Security tax will end and your CSRS deductions will increase to the full CSRS rate for the remainder of that calendar year. You can make voluntary contributions to the CSRS fund to increase the amount of your annuity, if you meet the requirements described in the section on CSRS called *Voluntary contributions*.

### How much the Service contributes to the CSRS-Offset

The Service pays the full Social Security tax (7.65% of your basic pay including the Medicare tax [Part A]), plus the full amount to CSRS (7.0% of your basic pay).

### How Part-Time Service Can Affect My Annuity

If you are a CSRS or CSRS-Offset employee who has worked a part-time work schedule, or are contemplating changing to a part-time work schedule, at any time since April 7,

Any SF-50 that you receive reflects your retirement code in item 30. If you have questions regarding the retirement coverage code reflected there, contact a Retirement Specialist by calling the ERC for clarification.

1986, the amount of annuity you receive will be affected. It is *strongly recommended* that you contact a *Retirement Specialist* to determine *exactly what affect your schedule will have on your annuity*. See sample computation under CSRS retirement.

Any SF-50 that you receive reflects your retirement code in item 30. If you have questions regarding the retirement coverage code reflected there, contact a Retirement Specialist by calling the ERC for clarification.

#### Your CSRS-Offset annuity

At retirement, you will receive the same annuity benefits as a regular CSRS retiree until you reach age 62. If you are eligible for Social Security benefits at age 62 or later, your CSRS annuity is reduced to *offset* that part of your Social Security benefit that reflects years of Federal service subject to the CSRS-Offset Plan. The amount of offset is the lesser of:

- The Social Security benefit attributable to your offset service or
- The amount of your full Social Security benefit multiplied by a fraction whose numerator is the number of years of offset service and whose denominator is 40.

Your CSRS annuity may also be affected by the Windfall Elimination Provision (WEP) if you have less than 30 years of substantial earnings under Social Security.

→ Read more about the WEP in the Social Security section of the chapter on *Planning for Your Financial Future*.

## FEDERAL EMPLOYEES' RETIREMENT SYSTEM (FERS)

If you were first hired after December 31, 1983, on an appointment with retirement coverage, you are covered by FERS. You are also covered if you transferred to FERS during a FERS open season.

If you are currently under CSRS or CSRS-Offset, you will not have the option to transfer to FERS unless you leave Federal service and have a break in service of more than three days or transfer during a FERS open season. → See the section later in this chapter called *Special retirement provisions for CSRS to FERS transferees* for more information.

The FERS is a three-tiered plan made up of:

- A basic annuity,
- Social Security, and
- A tax-deferred retirement savings and investment plan called the Thrift Savings Plan (TSP).

If you are covered under FERS, the retirement coverage code on your SF-50, *Notification of Personnel Action*, is "K," or "M" if you are a FERS law enforcement officer.


#### How much you contribute to the FERS

You currently contribute 0.8% of your basic pay to the FERS annuity fund. You also pay Social Security tax, currently 7.65% of your basic pay, including the Medicare tax (Part A).

#### **How much the IRS contributes to the FERS**

The Service currently pays 10.7% of your basic pay to the annuity fund (currently 23.3% if you are a FERS law enforcement officer; 22.7% beginning in October 2002). In addition, the Service pays the employer Social Security tax, currently 7.65% of your total compensation, including Medicare tax (Part A).


#### **How your civilian government service counts toward retirement**

The length of time you work in civilian government service that is subject to FERS deductions is used to determine your eligibility to retire and to compute your basic annuity. This is called your *creditable service*. Any civilian government service you had that was not covered by FERS retirement deductions is only used for retirement purposes if it occurred before 1989 and you make a deposit (plus interest).  To make a deposit, request SF-3108, *Application to Make Service Credit Payment for Civilian Service (Federal Employees' Retirement System)* (available through Employee Connection, menu 3). Mail the completed form to your Transactional Processing Branch (you can get the address through Employee Connection, menu 9, or this *Guide's Appendix*.)

If you have received a refund of FERS retirement contributions for a period of service, that service is not creditable for any retirement purpose and may not be redeposited.

#### **How your military government service counts toward retirement**

Your honorable active duty military service performed before 1957 is creditable for retirement. However, if you performed your military service after December 31, 1956, you may have to make a deposit equal to 3% of your military basic pay, plus interest, if applicable, to receive or retain credit for the service.

 If you are a military retiree, you must waive your military retirement pay and make a deposit to receive credit for any military service used to determine your length of service requirement and to compute your annuity. There are rare exceptions. Talk to a Retirement Specialist by calling the ERC for more information.

### Figuring the amount of your post-1956 military deposit

The amount of military deposit due is 3% of the basic pay earned during your military service performed on or after January 1, 1957, plus interest, if applicable. However, if your military service interrupted civilian service that is creditable under FERS and you properly exercised restoration rights on or after August 1, 1990, the deposit is the lesser of the normal military deposit based on military basic pay or the amount of FERS deductions that would have been withheld had you not entered the military, plus interest.

No interest is charged if you paid your deposit in full before December 31, 1989, or within the three-year period after you were first covered under FERS, whichever is later. For a deposit, or any part of a deposit not paid within the time limits above, interest will be charged at a rate which varies from year to year. The interest rate for 1985 was 13%; for 1986, 11.125%; for 1987, 9%; for 1988, 8.375%; for 1989, 9.125%; for 1990, 8.75%; for 1991, 8.625%; for 1992, 8.125%; for 1993, 7.125%; for 1994, 6.25%; for 1995, 7%; for 1996, 6.87%; for 1997, 6.875%; for 1998, 6.75%; for 1999, 5.75%; for 2000 5.875%; for 2001 6.375%; and, for 2002 5.500%.

### How to make your post-1956 military deposit

If you decide to pay this deposit and any interest owed (by either lump sum or installment payments), complete SF-3108, *Application to Make Service Credit Payment for Civilian Service (Federal Employees' Retirement System)*, and RI-20-97, *Estimated Earnings During Military Service* (you can order both forms from Employee Connection, menu 3).

Forward the RI-20-97 with a copy of your DD-214 (military discharge certificate) or equivalent, and any available records of pay or promotions, to the appropriate military pay center. When you have received the earnings information, return it with the SF-3108, to the Benefits and Services Team (BeST) site in your region (get the address from this *Guide's Appendix*). If you do not have a DD-214 or equivalent, you can request SF-180, *Request Pertaining to Military Records* (Employee Connection, menu 3) to have your service verified before submitting the RI-20-97 to the military pay center.

You must complete your post-1956 military deposits before final adjudication of your retirement. A Retirement Specialist can provide you with your outstanding balance at retirement. You may then make a lump sum payment to complete the deposit.

## Retirement options

☛ Retirement requires planning. Consult the checklist at the end of this chapter to ensure that you are properly informed of all the decisions you have to make and the actions you have to take. Call the ERC and talk to a Retirement Specialist at the time you are considering retirement.

Retirement planning seminars are provided for employees who are within six (6) years of optional retirement eligibility. Employees are entitled to attend one (1) IRS retirement planning seminar on official time.

Employees may attend additional retirement planning seminars on annual leave, credit hours, or compensatory time, if applicable. The seminars are conducted via IVT on a quarterly basis and topics include information on CSRS/FERS retirement benefits, Social Security, the Thrift Savings Plan, the Federal Employees Health Benefits Program, and the Federal Employees' Group Life Insurance Program. If employees are not able to attend an IRS seminar, they can order a closed-captioned videotape or CD-ROM through Employee Connection, menu 4.

All employees can attend one pre-retirement seminar without cost or charge to leave. If you want to attend more than one seminar, it depends on:

- Available seminar space, and
- Your manager's approval. Absent severe work interruption, your manager will not ordinarily disapprove such a request, but you will have to use your own leave to attend the seminar.

If you are within six years of voluntary retirement, you will automatically be notified of scheduled seminars.

FERS employees may qualify for several retirement options which are generally the same options available to CSRS and CSRS-Offset employees. However, there are significant differences. For example, as a FERS employee, you must attain a Minimum Retirement Age (MRA) to retire with 30 or more years of service. The MRA ranges from ages 55 to 57 depending on your year of birth (see the chart at the end of this section). Also, if you transferred to FERS from CSRS, you must retire under the FERS eligibility requirements.

The retirement options for FERS employees are:

- Optional (voluntary) retirement,
- Disability retirement,
- Discontinued service retirement (DSR),
- Early retirement,
- Deferred retirement, or
- A postponed retirement.

Call the ERC to talk with a Retirement Specialist if you are considering applying for disability retirement.

The age and length of service requirements vary depending on the option(s) for which you are eligible and are different for FERS law enforcement officers. The way your annuity is calculated is also based on which option you are eligible for and many other factors. When you receive your annuity also varies. You will find all of this information in later sections of this chapter.

For *optional retirement*, you are eligible to receive an immediate annuity with unreduced benefits at your MRA with 30 years of service, at age 60 with 20 years of service, or at age 62 with five years of civilian service. You are also eligible to retire with reduced benefits at your MRA with 10–29 years of service.

To qualify for *disability retirement*, you must have at least 18 months of creditable civilian service. There are no age requirements. You must be subject to a medical condition that is expected to continue for at least one year that prevents you from giving useful and efficient service in your current position, and the Service is unable to reassign you and/or provide you reasonable accommodation at the same grade level. Employees who are under FERS also must apply to Social Security Administration (SSA) for disability benefits. This is because the law required OPM to reduce the amount it pays if SSA is paying Social Security disability benefits.

OPM and SSA are currently participating in a test called Federal Medical Evidence of Record (FEDMER). FEDMER streamlines the process of applying for both FERS disability and SSA disability benefits. Participants in FEDMER must:

- Be a resident of Delaware, Maryland, Pennsylvania, Virginia, West Virginia or the District of Columbia.
- Be employed under FERS (only).

Contact your Retirement Specialist by calling the ERC for additional information about participating in the FEDMER test program.

To qualify for *discontinued service retirement (DSR)*, you must meet all of the following criteria:

- Be age 50 with 20 years of creditable service or any age with 25 years of creditable service,
- Have at least five years of creditable civilian service,
- Have received a specific written notice of involuntary separation from your position or from the Service for reasons other than misconduct or delinquency, signed by your head of office, and
- Have not declined a *reasonable offer*. Within IRS, a *reasonable offer* is any offer of another position within your commuting area, for which you are qualified, and that is within two grade levels of your current position.

An *early retirement*, more commonly known as an *early out*, permits you to retire in advance of meeting your optional retirement requirements when you meet all of the following criteria:

- The Office of Personnel Management (OPM) has given the Service the



authority to offer early retirement and your position is included in the authorization,

- You have been in your position for at least 30 days before retiring and you leave by the last day of the *early out* period, and
- You are at least age 50 with 20 years of creditable service or any age with 25 years of creditable service when you leave.

NOTE: The fact that your agency has the authority to offer early out retirements, does not mean you can just decide to retire under this option — You must be offered an early out retirement by your agency.

A *deferred retirement* is based on leaving the Service before you are eligible to retire. To qualify, you must have at least five years of creditable civilian service for which you did not receive a refund of your retirement contributions from the OPM and be age 62.

A *postponed retirement* allows you to delay the start of your MRA + 10 annuity, thereby reducing or eliminating the age reduction.

#### How Part-Time Service Can Affect My Annuity

If you are a FERS employee who has worked a part-time work schedule, *or are contemplating changing to a part-time work schedule*, at any time during your career, the amount of annuity you receive will be affected. It is strongly recommended that you contact a Retirement Specialist to determine exactly what affect your schedule will have on your annuity. Your annuity will be computed using:

- Your total length of service from your entrance-on-duty date through your date of retirement will be computed using a DEEMED average high-three salary (defined below), the general retirement formula shown in *Computing Your FERS Annuity* below and a FERS pro-ration factor (defined below).
  - DEEMED average high-three salary is defined as the average computation for basic annuity, which is based on any period of 3 consecutive years of service that will produce the highest average.
  - FERS pro-ration factor is defined as a fraction, expressed as a percentage rounded to the nearest percent, which is reached by taking your total accumulated FERS service credit (both part-time and full-time) through your date of retirement and dividing it by the total full-time hours possible during the same period.

NOTE: If you are a FERS transferee, your service could be computed using both the CSRS formula and the FERS formula. Please see both sections to see the effect part-time service could have on your overall annuity.

#### Retirement provisions for FERS law enforcement officers

If you work in a position that the Service has designated as a law enforcement position:

- You will receive the annuity supplement (discussed later) from the starting date of your annuity until you reach age 62,


- You *may* retire at age 50 or older with at least 20 years of creditable law enforcement service, or at any age after completing 25 years of creditable law enforcement service. Generally, you will be *required* to retire at age 57 if you have 20 years of law enforcement service.
- Your annuity will not be reduced if you retire under age 55.
- You will pay 1.3% of your basic pay toward your retirement, and
- Your annuity will be 1.7% multiplied by the high-three average salary for each year of service up through the first 20 years of service. Years of service over 20 years are computed at 1% per year.

### Computing your FERS annuity


The computation for most FERS annuities are the same.


The general formula for computing your annuity for optional retirement, DSR, early retirement, deferred retirement, and postponed retirement is:

- 1% multiplied by your high-three average salary (highest pay over any consecutive three-year period) by years of service plus an annuity supplement where applicable (discussed in the next section) or
- 1.1% multiplied by your years of service multiplied by your high-three average salary if you are retiring at age 62 or later with 20 or more years of service. No annuity supplement will be payable.

 Call Employee Connection and select menu 5 for an estimate of your annuity for:

- Optional retirement,
- Disability retirement,
- Discontinued service retirement, or
- Early retirement.

 Call Employee Connection and select menu 3 to order a retirement package.

 Unlike CSRS annuitants, there is no reduction in annuity benefits for each year you are under age 55 if you are taking an early retirement or retiring under DSR.

However, if you are taking a deferred retirement, the annuity calculation will depend on your length of service:

- You will receive an unreduced annuity when you reach your MRA with 30 years of creditable civilian service, age 60 with 20 years of creditable service, or age 62 with five years of creditable service.
- You will receive a reduced annuity if you are at your MRA with at least 10 years of creditable service. The reduction will be 5% a year for each year you are under age 62 (5/12 of 1% for each month you are under age 62).

The formula is different for computing a disability retirement annuity. In the first year of disability, your benefit will be 60% of your high-three average salary minus 100% of any Social Security benefits payable. After the first year and until age 62, your benefit will be recomputed at 40% of your high-three average salary minus 60% of any Social Security benefits payable. If your earned annuity rate based on years of service and high-three average salary is higher than the above calculations, you will receive the larger benefit. No cost-of-living adjustments (COLAs) are provided in the first year. However, they are payable in the succeeding years.

FERS disability benefits are recomputed when you reach age 62. Your years of creditable service will be adjusted as if you had continued working until age 62. Also, your high-three salary will be increased by all FERS COLAs that took effect while you were receiving a disability annuity. Your new benefit will then be calculated using the adjusted figures.

#### FERS annuity supplement

If you retire before you are eligible to receive Social Security benefits, you may receive an *annuity supplement* payable until you reach age 62. To be eligible, you must retire under DSR, early retirement, or unreduced optional retirement. The value of the annuity supplement approximates the value of the Social Security benefit attributable to your FERS service and is not adjusted for inflation; however, it is *earnings tested*. Payments end the last day of the month before the month in which you reach age 62. Your supplement will not begin until you reach your MRA.

#### When you will receive your FERS annuity

When you receive your annuity depends on the type of retirement option you are eligible for.

The starting date of your optional and early retirement annuity will begin on the first day of the month after you retire.


Your disability annuity will begin on the day after your retirement, or the day after your pay status terminates and you meet the length of service requirement and other disability criteria. You must apply for Social Security disability benefits at the same time you apply for FERS disability benefits. Social Security disability benefits will not begin until the sixth full month of disability. This "waiting period" begins with the first full month after the date your disability began.

Your DSR annuity will begin the day after you retire.

Your deferred annuity will begin on the first day of the month after you reach age 62 if you have at least five years but less than 10 years of total civilian service. If you have at least 10 years of service, your deferred annuity can begin on either the first day of the month after you have reached the MRA or a later date that you have designated and that is not later than the second day before your 62nd birthday. At least two months before turning age 62, you should send the application for your deferred annuity to the Office of Personnel Management, Federal Employees' Retirement System, P.O. Box 200, Boyers, PA 16020.

Your postponed annuity can begin on any date later than the first day of any month after you leave Federal service. This is subject to several conditions, which you can get from a Retirement Specialist.

☛ A court order (often related to a divorce or separation) can divide a retirement annuity. Retirement benefits can also be garnished for alimony, child support, or in cases involving child abuse. Contact a Retirement Specialist by calling the ERC for more information on court-ordered entitlements.

 If you have questions on the AFA, contact a Retirement Specialist by calling the ERC.

### Alternative Form of Annuity (AFA)

The Alternative Form of Annuity (AFA) is an option provided to certain retirees allowing them to withdraw all of their personal contributions to the Civil Service Retirement Fund and still receive an annuity. The only employees who may elect the AFA are those who are eligible for a nondisability annuity and who have a life-threatening affliction or other critical medical condition and have a life expectancy of less than two years. Employees who qualify for the AFA under this rule will receive only a lump sum payment.

### Reduced annuity

When you retire, you can elect a reduced annuity to provide a survivor annuity for a current and/or former spouse(s). Your options are fully explained in the SF-3107, *Application for Immediate Retirement (Federal Employees' Retirement System)*.

### If you die in service

If you die in service, your spouse and children may qualify for a survivor annuity.  
 → See the *Death in Service* chapter for more information.

### Special retirement provisions for CSRS to FERS transferees

Some CSRS employees elected to transfer to FERS during an established window of opportunity (such as the 1998 FERS open season). If this applies to you, it is important for you to understand how items relating to your retirement are treated. If you transferred to FERS:

- You will be eligible to retire when you meet the age and service requirements for retirement under FERS, using both CSRS and FERS creditable service.
- You will receive one annuity check when you retire although the service creditable under CSRS coverage will be subject to CSRS computation rules and the service creditable under FERS coverage will be subject to FERS computation rules. This rule does not apply if you are a CSRS employee who had less than five years of CSRS service on the date you transferred to FERS. In this case, your CSRS service is creditable for computation purposes using FERS rules. You may also be eligible for a refund equal to the CSRS contribution rate minus the FERS contribution rate.
- You are entitled to a deferred annuity under FERS if you leave the IRS before being eligible to retire (but with at least five years of civilian service when you leave). The amount of annuity actually paid will depend upon your total years of service when you leave the IRS.
- You are entitled to an annuity supplement under the same conditions as a regular FERS employee. However, the amount of the annuity supplement will only reflect your service under FERS.
- Your service performed after the date of your transfer to FERS is computed under FERS rules.
- Your survivor benefits will be based on FERS rules.  
You will generally be covered under FERS disability provisions.
- Your unused sick leave is not used to compute your annuity. However, if you transferred to FERS with at least five years of CSRS civilian service, you may credit the lesser amount of accumulated sick leave at the date of transfer or the date of retirement. The creditable amount will be used to compute the CSRS portion of your annuity.

## FERS eligibility for retirement

Type of retirement	Year of birth	Minimum age	Minimum service for unreduced benefits (years)	Minimum service for reduced benefits (reduction is 5% for each year you are under age 62)	Special requirements
Optional and deferred	N/A N/A Before 1948 1948 1949 1950 1951 1952 1953–1964 1965 1966 1967 1968 1969 1970 & after	62 60 55 55 & 2 mos. 55 & 4 mos. 55 & 6 mos. 55 & 8 mos. 55 & 10 mos. 56 56 & 2 mos. 56 & 4 mos. 56 & 6 mos. 56 & 8 mos. 56 & 10 mos. 57	5 20 30 30 30 30 30 30 30 30 30 30 30 30 30	N/A N/A 10 10 10 10 10 10 10 10 10 10 10 10 10	
Discontinued service (DSR)	N/A N/A	Any 50	25 20	N/A N/A	Your separation must be involuntary and not for misconduct or delinquency. You must not have declined a <i>reasonable offer</i> of a position. A <i>reasonable offer</i> must be in the same commuting area, a position for which you are qualified, and within two grade levels of your current position.
Disability	N/A	N/A	18 mos. creditable service		Benefits are reduced by any Social Security benefits paid to you in the first year and by 60% of those benefits in succeeding years.
Optional (law enforcement officers)	N/A	50 Any	20 25	N/A N/A	You must retire under a special provision for law enforcement officers or the agency must be undergoing a major reorganization or transfer of function as defined by the Office of Personnel Management. Law enforcement officers may retire at age 50 with at least 20 years of creditable law enforcement service or at any age after completing 25 years of creditable law enforcement service.

## HOW CERTAIN BENEFITS ARE TREATED

→ You can find useful information at [www.opm.gov/retire](http://www.opm.gov/retire).

→ See the *Life events and Your Benefits* chart in this Guide's Appendix for actions you may need to take if you:

- Marry,
- Divorce,
- Legally separate, or
- Experience other life events.

### Annual leave

When you retire you will be paid a lump sum equal to the value of your unused annual leave as long as you have no outstanding financial or property obligations. You can expect your lump sum payment approximately two pay periods after you leave the IRS subject to 1.45% Medicare, Federal and local taxes, OASDI if FERS or offset.

### Sick leave

If you retire under CSRS or CSRS-Offset and have a balance of unused sick leave when you retire, it will be converted to years, months, and days, and added to your total service time for computing your annuity (→ see the chart on the following page). Your unused sick leave balance cannot be used for meeting the minimum length of service you need to be eligible to retire.

If you retire under FERS, any sick leave balance that you have when you retire is not used for computing your annuity (the exception is the last item listed above in *Special retirement provision for CSRS to FERS transferees*).

### Health insurance

To be eligible to continue coverage under the Federal Employees Health Benefits (FEHB) program while you are retired, you must meet all of the following criteria:

- You must be covered under the FEHB (or TriCare [formerly CHAMPUS]; see *Counting TriCare coverage*, later) for at least:
  - your five years of service immediately before retiring or
  - the entire time that you were eligible to enroll in the FEHB,
- You must be covered by the FEHB or be covered as a family member under a spouse's FEHB enrollment when you retire from Federal service, and
- You must be entitled to an immediate annuity (one that begins within one month after you leave Federal service).

These criteria are described in detail below.

### Enrollment requirement before retirement

It is critical that you understand the five-year or first opportunity enrollment requirement. To determine whether you have been enrolled for five years or from your first opportunity to enroll, consider only periods of service during which you were eligible to enroll in the FEHB. Breaks in service, periods of nonpay status of more than 12 months, and appointments which do not entitle you to coverage under the FEHB are not counted toward meeting the five-year or first opportunity enrollment requirement.

These examples may help you see the steps you may need to take to ensure you satisfy this provision at retirement. → You should also see the *Exception to the enrollment requirement* at the end of this section.

→ See the *Death in Service* chapter for information on FEHB coverage for survivors after an enrollee's death.

# Converting sick leave to creditable service—CSRS employees only \*

Days	1 day and up	1 month and up	2 months and up	3 months and up	4 months and up	5 months and up	6 months and up	7 months and up	8 months and up	9 months and up	10 months and up	11 months and up
0	0	174	348	522	696	870	1044	1217	1391	1565	1739	1913
1	6	180	354	528	701	875	1049	1223	1397	1571	1745	1919
2	12	186	359	533	707	881	1055	1229	1403	1577	1751	1925
3	17	191	365	539	713	887	1061	1235	1409	1583	1757	1930
4	23	197	371	545	719	893	1067	1241	1415	1588	1762	1936
5	29	203	377	551	725	899	1072	1246	1420	1594	1768	1942
6	35	209	383	557	730	904	1078	1252	1426	1600	1774	1948
7	41	214	388	562	736	910	1084	1258	1432	1606	1780	1954
8	46	220	394	568	742	916	1090	1264	1438	1612	1786	1959
9	52	226	400	574	748	922	1096	1270	1444	1617	1791	1965
10	58	232	406	580	754	928	1101	1275	1449	1623	1997	1971
11	64	238	412	586	759	933	1107	1281	1455	1629	1803	1977
12	70	243	417	591	765	939	1113	1287	1461	1635	1809	1983
13	75	249	423	597	771	945	1119	1293	1467	1641	1815	1988
14	81	255	429	603	777	951	1125	1299	1472	1646	1820	1994
15	87	261	435	609	783	957	1130	1304	1478	1652	1826	2000
16	93	267	441	615	788	962	1136	1310	1484	1658	1832	2006
17	99	272	446	620	794	968	1142	1316	1490	1664	1838	2012
18	104	278	452	626	800	974	1148	1322	1496	1670	1844	2017
19	110	284	458	632	806	980	1154	1328	1501	1675	1849	2023
20	116	290	464	638	812	986	1159	1333	1507	1681	1855	2029
21	122	296	470	643	817	991	1165	1339	1513	1687	1861	2035
22	128	301	475	649	823	997	1171	1345	1519	1693	1867	2041
23	133	307	481	655	829	1003	1177	1351	1525	1699	1873	2046
24	139	313	487	661	835	1009	1183	1357	1530	1704	1878	2052
25	146	319	493	667	841	1015	1188	1362	1536	1710	1884	2058
26	151	325	499	672	846	1020	1194	1368	1542	1716	1890	2064
27	157	330	504	678	852	1026	1200	1374	1548	1722	1896	2070
28	162	336	510	684	858	1032	1206	1380	1554	1728	1901	2075
29	168	342	516	690	864	1038	1212	1386	1559	1733	1907	2081

\* and FERS employees who transferred to FERS with at least five years of CSRS civilian service

**Example 1.** If, like many retiring employees, you have worked under permanent appointments for the Federal government for many years before your retirement, review your FEHB coverage to determine if you have been *continuously* enrolled (or covered as a family member under your spouse's FEHB enrollment) for at least the five years immediately before your planned retirement date.

**Example 2a.** If, during your last five years of service, you were in a nonpay status and elected to *terminate* your coverage (or coverage was automatically terminated) due to nonpay status, you must have re-enrolled within 60 days of your return to pay status. A *termination* is not considered a break in the continuous coverage necessary for continuing FEHB coverage during retirement. The period during which the termination is in effect does not count toward satisfying the required five years of continuous coverage.

**Example 2b.** If, during your last five years of service, you were in a nonpay status and elected to *cancel* your FEHB coverage to avoid paying premiums, then re-enrolled within 60 days of your return to pay status, you will need to begin a new five-year period because a *cancellation* is considered a break in the continuous coverage necessary for continuing FEHB coverage into retirement.

**Example 3.** If you were not employed in a permanent position during the five years immediately before retiring, determining your eligibility to continue FEHB enrollment into retirement is more complicated.

**Example 3a.** If, throughout your Federal career, you have never worked a combined total of at least five years in positions that allowed you to enroll in the FEHB, which is called a *covered* position or *covered* service (for example, if you held several temporary appointments followed by a permanent appointment of less than five years), then you must have enrolled at your first opportunity (within 31 days of your first appointment to a covered position) and must have been continuously enrolled during all subsequent covered positions. You must not have delayed enrolling until a later opportunity, such as an open season, during any period in a covered position.

**Example 3b.** If you have worked five or more years in covered positions, you must have been enrolled during the last five years of covered service. In other words, if you were employed in a series of positions separated by breaks in service that lasted more than three days, you must have been covered during the last five years you were employed in covered positions (*not* the last five calendar years). To illustrate, an employee had a permanent Federal position from May 1976 through December 1984, then left to work in private industry. He came back to a temporary Federal position in January 1989 and was subsequently converted to a permanent Federal position in January 1991. In January 1994, he retired. To continue FEHB coverage while retired, he must have enrolled within 31 days of his conversion to a covered position in January 1991 and, in addition, must have been enrolled for at least two years immediately before he previously left in December 1984.



**Example 4.** If you cancel your FEHB enrollment for any reason (such as to be covered by your spouse's health benefits plan in the private sector), you must begin a new five-year enrollment period for retirement purposes if you later re-enroll in the FEHB.

***Counting TriCare coverage***

Coverage under TriCare (uniformed services health benefits program) counts toward your five-year or first opportunity enrollment requirement for continuing FEHB after retirement. However, you must be enrolled under the FEHB (or be covered as a family member under a spouse's FEHB enrollment) when you retire. As a TriCare enrollee, you should enroll in the FEHB before retiring from civilian service even if you are still covered by TriCare. You will be ineligible to enroll in FEHB as a retiree.

As a TriCare enrollee, you are automatically transferred from TriCare to Medicare coverage when you become eligible for Medicare (usually at age 65). If you are a former TriCare enrollee who is currently employed in the Federal service, you have 31 days from the date your TriCare coverage ends and your transfer to Medicare to enroll in the FEHB. If you do not enroll in the FEHB, you will have a break in coverage and will lose eligibility to continue FEHB coverage in retirement, unless you complete a new five-year enrollment period. Medicare coverage does not count toward either the five-year or the first opportunity enrollment requirement.

☛ ***Exception to the enrollment requirement.*** The Office of Personnel Management (OPM) has authority to waive the five-year enrollment requirement, but does so only under "exceptional circumstances" as required by law. If you are requesting a waiver you must provide the OPM with evidence that:

- You had intended to have FEHB coverage as a retiree,
- The circumstances that prevented you from meeting the participation requirement were essentially beyond your control, and
- You had exercised due diligence in protecting your right to continue FEHB coverage into retirement (due diligence includes requesting information if none is given automatically).

The OPM will not grant a waiver solely because your retirement is based on disability or involuntary separation or because you were not informed or were poorly informed about your eligibility requirements. For more information, contact a Retirement Specialist by calling the ERC.

***Coverage as a family member under another person's FEHB enrollment***

Being covered under your spouse's FEHB enrollment during the five-year or first opportunity enrollment period will permit you to continue FEHB coverage into retirement.

However, if you changed your enrollment status (for example, from Self Only to Self and Family) during the five-year or first opportunity enrollment period, you need to verify that there was not a lapse of coverage of more than 31 days; even a brief lapse in coverage will cause you to have to begin a new five-year enrollment period. In addition, you will need to provide proof that you were covered by your spouse's enrollment. SF-2809s, *Health Benefits Registration Form (Federal Employees Health Benefits Program)*, documenting your coverage under a spouse's enrollment is sufficient. These may be obtained from your spouse's personnel office.

You do not need to be covered under your own enrollment when you retire, but may enroll during retirement if you have been continuously covered by your spouse's FEHB enrollment since retirement and meet the eligibility criteria when you retire.

#### *Entitlement to immediate annuity*

In most cases, you must be entitled to an annuity that begins within 31 days of leaving the IRS to continue FEHB coverage while you are retired.

If you leave the IRS and are eligible for deferred retirement (one that begins more than 31 days after you leave the IRS) and you are covered under either the Civil Service Retirement System (CSRS), CSRS-Offset, or the Federal Employees' Retirement System (FERS), you may not reinstate your FEHB coverage when your deferred annuity begins.

However, under FERS, if you are eligible for an immediate reduced annuity (you complete 10 years of creditable service and reach the minimum retirement age before you leave, which is *not* deferred retirement), you may elect to receive your benefits immediately or postpone them to lessen the age reduction that applies to individuals under age 62. You may resume FEHB coverage on the date your delayed FERS annuity begins if you met the enrollment criteria outlined above (five-year enrollment or first opportunity requirement) at the time you left Federal service.

#### *Ineligibility to continue FEHB coverage into retirement*

If you are ineligible to continue health benefits coverage while you are retired, your enrollment will end on the date you leave Federal service. However, your coverage will continue for an additional 31 days at no cost to you. Then, you will have two options related to the lapsed coverage:

- You may arrange to convert to a nongroup health benefits contract with your health benefits carrier or
- You may elect Temporary Continuation of Coverage (TCC) for an additional 18 months.

➔ See the *FEHB* section in the *Leaving the IRS* chapter for a full explanation of converting to a nongroup health benefits contract and TCC.

## FERS eligibility for retirement

Type of retirement	Year of birth	Minimum age	Minimum service for unreduced benefits (years)	Minimum service for reduced benefits (reduction is 5% for each year you are under age 62)	Special requirements
Optional and deferred	N/A	62	5	N/A	
	N/A	60	20	N/A	
	Before 1948	55	30	10	
	1948	55 & 2 mos.	30	10	
	1949	55 & 4 mos.	30	10	
	1950	55 & 6 mos.	30	10	
	1951	55 & 8 mos.	30	10	
	1952	55 & 10 mos.	30	10	
	1953-1964	56	30	10	
	1965	56 & 2 mos.	30	10	
	1966	56 & 4 mos.	30	10	
	1967	56 & 6 mos.	30	10	
	1968	56 & 8 mos.	30	10	
	1969	56 & 10 mos.	30	10	
	1970 & after	57	30	10	
Discontinued service (DSR)	N/A	Any	25	N/A	Your separation must be involuntary and not for misconduct or delinquency. You must not have declined a <i>reasonable offer</i> of a position. A <i>reasonable offer</i> must be in the same commuting area, a position for which you are qualified, and within two grade levels of your current position.
	N/A	50	20	N/A	
Disability	N/A	N/A	18 mos. creditable service		Benefits are reduced by any Social Security benefits paid to you in the first year and by 60% of those benefits in succeeding years.
Optional (law enforcement officers)	N/A	50 Any	20 25	N/A N/A	You must retire under a special provision for law enforcement officers or the agency must be undergoing a major reorganization or transfer of function as defined by the Office of Personnel Management. Law enforcement officers may retire at age 50 with at least 20 years of creditable law enforcement service or at any age after completing 25 years of creditable law enforcement service.

## HOW CERTAIN BENEFITS ARE TREATED

→ You can find useful information at [www.opm.gov/retire](http://www.opm.gov/retire).

→ See the *Life events and Your Benefits* chart in this Guide's Appendix for actions you may need to take if you:

- Marry,
- Divorce,
- Legally separate, or
- Experience other life events.

### Annual leave

When you retire you will be paid a lump sum equal to the value of your unused annual leave as long as you have no outstanding financial or property obligations. You can expect your lump sum payment approximately two pay periods after you leave the IRS subject to 1.45% Medicare, Federal and local taxes, OASDI if FERS or offset.

### Sick leave

If you retire under CSRS or CSRS-Offset and have a balance of unused sick leave when you retire, it will be converted to years, months, and days, and added to your total service time for computing your annuity (→ see the chart on the following page). Your unused sick leave balance cannot be used for meeting the minimum length of service you need to be eligible to retire.

If you retire under FERS, any sick leave balance that you have when you retire is not used for computing your annuity (the exception is the last item listed above in *Special retirement provision for CSRS to FERS transferees*).

### Health insurance

To be eligible to continue coverage under the Federal Employees Health Benefits (FEHB) program while you are retired, you must meet all of the following criteria:

- You must be covered under the FEHB (or TriCare [formerly CHAMPUS]; see *Counting TriCare coverage*, later) for at least:
  - your five years of service immediately before retiring or
  - the entire time that you were eligible to enroll in the FEHB,
- You must be covered by the FEHB or be covered as a family member under a spouse's FEHB enrollment when you retire from Federal service, and
- You must be entitled to an immediate annuity (one that begins within one month after you leave Federal service).

These criteria are described in detail below.

### Enrollment requirement before retirement

It is critical that you understand the five-year or first opportunity enrollment requirement. To determine whether you have been enrolled for five years or from your first opportunity to enroll, consider only periods of service during which you were eligible to enroll in the FEHB. Breaks in service, periods of nonpay status of more than 12 months, and appointments which do not entitle you to coverage under the FEHB are not counted toward meeting the five-year or first opportunity enrollment requirement.

These examples may help you see the steps you may need to take to ensure you satisfy this provision at retirement. → You should also see the *Exception to the enrollment requirement* at the end of this section.

→ See the *Death in Service* chapter for information on FEHB coverage for survivors after an enrollee's death.

# Converting sick leave to creditable service—CSRS employees only \*

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2	12	186	359	533	707	881	1055	1229	1403	1577	1751	1925
3	17	191	365	539	713	887	1061	1235	1409	1583	1757	1930
4	23	197	371	545	719	893	1067	1241	1415	1588	1762	1936
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6	35	209	383	557	730	904	1078	1252	1426	1600	1774	1948
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9	52	226	400	574	748	922	1096	1270	1444	1617	1791	1965
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11	64	238	412	586	759	933	1107	1281	1455	1629	1803	1977
12	70	243	417	591	765	939	1113	1287	1461	1635	1809	1983
13	75	249	423	597	771	945	1119	1293	1467	1641	1815	1988
14	81	255	429	603	777	951	1125	1299	1472	1646	1820	1994
15	87	261	435	609	783	957	1130	1304	1478	1652	1826	2000
16	93	267	441	615	788	962	1136	1310	1484	1658	1832	2006
17	99	272	446	620	794	968	1142	1316	1490	1664	1838	2012
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19	110	284	458	632	806	980	1154	1328	1501	1675	1849	2023
20	116	290	464	638	812	986	1159	1333	1507	1681	1855	2029
21	122	296	470	643	817	991	1165	1339	1513	1687	1861	2035
22	128	301	475	649	823	997	1171	1345	1519	1693	1867	2041
23	133	307	481	655	829	1003	1177	1351	1525	1699	1873	2046
24	139	313	487	661	835	1009	1183	1357	1530	1704	1878	2052
25	146	319	493	667	841	1015	1188	1362	1536	1710	1884	2058
26	151	325	499	672	846	1020	1194	1368	1542	1716	1890	2064
27	157	330	504	678	852	1026	1200	1374	1548	1722	1896	2070
28	162	336	510	684	858	1032	1206	1380	1554	1728	1901	2075
29	168	342	516	690	864	1038	1212	1386	1559	1733	1907	2081

\* and FERS employees who transferred to FERS with at least five years of CSRS civilian service

**Example 1.** If, like many retiring employees, you have worked under permanent appointments for the Federal government for many years before your retirement, review your FEHB coverage to determine if you have been *continuously* enrolled (or covered as a family member under your spouse's FEHB enrollment) for at least the five years immediately before your planned retirement date.

**Example 2a.** If, during your last five years of service, you were in a nonpay status and elected to *terminate* your coverage (or coverage was automatically terminated) due to nonpay status, you must have re-enrolled within 60 days of your return to pay status. A *termination* is not considered a break in the continuous coverage necessary for continuing FEHB coverage during retirement. The period during which the termination is in effect does not count toward satisfying the required five years of continuous coverage.

**Example 2b.** If, during your last five years of service, you were in a nonpay status and elected to *cancel* your FEHB coverage to avoid paying premiums, then re-enrolled within 60 days of your return to pay status, you will need to begin a new five-year period because a *cancellation* is considered a break in the continuous coverage necessary for continuing FEHB coverage into retirement.

**Example 3.** If you were not employed in a permanent position during the five years immediately before retiring, determining your eligibility to continue FEHB enrollment into retirement is more complicated.

**Example 3a.** If, throughout your Federal career, you have never worked a combined total of at least five years in positions that allowed you to enroll in the FEHB, which is called a *covered position* or *covered service* (for example, if you held several temporary appointments followed by a permanent appointment of less than five years), then you must have enrolled at your first opportunity (within 31 days of your first appointment to a covered position) and must have been continuously enrolled during all subsequent covered positions. You must not have delayed enrolling until a later opportunity, such as an open season, during any period in a covered position.


**Example 3b.** If you have worked five or more years in covered positions, you must have been enrolled during the last five years of covered service. In other words, if you were employed in a series of positions separated by breaks in service that lasted more than three days, you must have been covered during the last five years you were employed in covered positions (*not* the last five calendar years). To illustrate, an employee had a permanent Federal position from May 1976 through December 1984, then left to work in private industry. He came back to a temporary Federal position in January 1989 and was subsequently converted to a permanent Federal position in January 1991. In January 1994, he retired. To continue FEHB coverage while retired, he must have enrolled within 31 days of his conversion to a covered position in January 1991 and, in addition, must have been enrolled for at least two years immediately before he previously left in December 1984.

**Example 4.** If you cancel your FEHB enrollment for any reason (such as to be covered by your spouse's health benefits plan in the private sector), you must begin a new five-year enrollment period for retirement purposes if you later re-enroll in the FEHB.

***Counting TriCare coverage***

Coverage under TriCare (uniformed services health benefits program) counts toward your five-year or first opportunity enrollment requirement for continuing FEHB after retirement. However, you must be enrolled under the FEHB (or be covered as a family member under a spouse's FEHB enrollment) when you retire. As a TriCare enrollee, you should enroll in the FEHB before retiring from civilian service even if you are still covered by TriCare. You will be ineligible to enroll in FEHB as a retiree.

As a TriCare enrollee, you are automatically transferred from TriCare to Medicare coverage when you become eligible for Medicare (usually at age 65). If you are a former TriCare enrollee who is currently employed in the Federal service, you have 31 days from the date your TriCare coverage ends and your transfer to Medicare to enroll in the FEHB. If you do not enroll in the FEHB, you will have a break in coverage and will lose eligibility to continue FEHB coverage in retirement, unless you complete a new five-year enrollment period. Medicare coverage does not count toward either the five-year or the first opportunity enrollment requirement.

 ***Exception to the enrollment requirement.*** The Office of Personnel Management (OPM) has authority to waive the five-year enrollment requirement, but does so only under "exceptional circumstances" as required by law. If you are requesting a waiver you must provide the OPM with evidence that:

- You had intended to have FEHB coverage as a retiree,
- The circumstances that prevented you from meeting the participation requirement were essentially beyond your control, and
- You had exercised due diligence in protecting your right to continue FEHB coverage into retirement (due diligence includes requesting information if none is given automatically).

The OPM will not grant a waiver solely because your retirement is based on disability or involuntary separation or because you were not informed or were poorly informed about your eligibility requirements. For more information, contact a Retirement Specialist by calling the ERC.

***Coverage as a family member under another person's FEHB enrollment***

Being covered under your spouse's FEHB enrollment during the five-year or first opportunity enrollment period will permit you to continue FEHB coverage into retirement.

However, if you changed your enrollment status (for example, from Self Only to Self and Family) during the five-year or first opportunity enrollment period, you need to verify that there was not a lapse of coverage of more than 31 days; even a brief lapse in coverage will cause you to have to begin a new five-year enrollment period. In addition, you will need to provide proof that you were covered by your spouse's enrollment. SF-2809s, *Health Benefits Registration Form (Federal Employees Health Benefits Program)*, documenting your coverage under a spouse's enrollment is sufficient. These may be obtained from your spouse's personnel office.

You do not need to be covered under your own enrollment when you retire, but may enroll during retirement if you have been continuously covered by your spouse's FEHB enrollment since retirement and meet the eligibility criteria when you retire.

#### ***Entitlement to immediate annuity***

In most cases, you must be entitled to an annuity that begins within 31 days of leaving the IRS to continue FEHB coverage while you are retired.

If you leave the IRS and are eligible for deferred retirement (one that begins more than 31 days after you leave the IRS) and you are covered under either the Civil Service Retirement System (CSRS), CSRS-Offset, or the Federal Employees' Retirement System (FERS), you may not reinstate your FEHB coverage when your deferred annuity begins.

However, under FERS, if you are eligible for an immediate reduced annuity (you complete 10 years of creditable service and reach the minimum retirement age before you leave, which is *not* deferred retirement), you may elect to receive your benefits immediately or postpone them to lessen the age reduction that applies to individuals under age 62. You may resume FEHB coverage on the date your delayed FERS annuity begins if you met the enrollment criteria outlined above (five-year enrollment or first opportunity requirement) at the time you left Federal service.

#### ***Ineligibility to continue FEHB coverage into retirement***

If you are ineligible to continue health benefits coverage while you are retired, your enrollment will end on the date you leave Federal service. However, your coverage will continue for an additional 31 days at no cost to you. Then, you will have two options related to the lapsed coverage:

- You may arrange to convert to a nongroup health benefits contract with your health benefits carrier or
- You may elect Temporary Continuation of Coverage (TCC) for an additional 18 months.

→ See the *FEHB* section in the *Leaving the IRS* chapter for a full explanation of converting to a nongroup health benefits contract and TCC.



#### *Cost of coverage after retirement*

The annual premium you pay for FEHB coverage as an employee will not change when you retire. However, since annuities are paid on a monthly basis, the FEHB premiums will be paid monthly rather than biweekly. As annuitants, former part-time employees pay the regular premium, not a prorated one.

Generally, you will see a change in your monthly premium rate effective on February 1 of each year even if you do not change your coverage. Premium rate changes are the result of carrier increases or decreases.

You can pay your share of the FEHB premium directly to the Office of Personnel Management if your health insurance premium is more than the amount of your monthly annuity. You may also elect to change enrollment to a lower cost plan or drop FEHB coverage.

● If you cancel your FEHB coverage as a retiree, you can generally not re-enroll unless you have had continuous FEHB coverage under another person's enrollment during the time between your cancellation and re-enrollment.

#### *Changing enrollment after retirement*

You have the same opportunities to change your enrollment after retirement as you did while employed. After retirement, you may voluntarily cancel your enrollment or change from Self and Family to Self Only at any time. However, if you cancel your enrollment, you and any family members covered under your enrollment will not be able to convert to a nongroup health benefits contract or enroll for TCC.

#### *Death of retiree*

If you should die as a *retiree* while enrolled for Self and Family coverage, all survivors who are considered eligible family members will automatically be able to be covered by the FEHB as long as any one of them receives a survivor annuity. Their share of the cost of the plan remains the same and will be deducted from the annuity payment. If there is only one survivor annuitant and no other family member is eligible for continued coverage, the enrollment will be changed automatically to the less expensive Self Only coverage.

#### *Life insurance*

You can keep Basic Life Insurance under the Federal Employees' Group Life Insurance (FEGLI) program while you are retired if you meet all of the following conditions:

- You retire from a position in which you were insured,
- You do not convert to an individual policy when the Basic Life Insurance as an employee would otherwise cease,
- You retire on an immediate annuity, and

- You have been enrolled in the FEGLI program for the five years of service immediately before retiring or the full period(s) of service during which Basic Life Insurance was available, if less than five years.

If you meet these conditions, you must decide when you retire:

- If you want to continue any life insurance coverage while you are retired and, if so,
- The level of coverage you want.

If you want to continue your coverage, you have several options, which are discussed below.

If you do not want to continue your coverage, you can choose to convert your FEGLI insurance to an individual policy purchased from a private carrier.

→ See the information under the *FEGLI* section called *Conversion* in the *Insurance* chapter.

#### ***Basic Life Insurance***

Basic Life Insurance coverage continues unchanged (except for the Accidental Death and Dismemberment provision, which is terminated) until either age 65 or retirement, whichever occurs later. At retirement, you are required to elect a reduction schedule for your Basic Life Insurance. There are three options for reduction, and you may change the reduction option you elected at any time after you retire by notifying the Office of Personnel Management. The options are:

- A 75% reduction,
- A 50% reduction, or
- No reduction.

If you choose a 75% reduction, at age 65 or the date of retirement, if later, the amount of Basic Life Insurance begins to reduce at the rate of 2% a month until it reaches 25% of its original value. You will pay a monthly premium during retirement of \$.3358 per \$1,000 of coverage. You stop paying premiums beginning at age 65, and individuals retiring after age 65 do not pay premiums during retirement.

If you choose a 50% reduction, at age 65 or the date of retirement, if later, the amount of Basic Life Insurance begins to reduce at the rate of 1% a month until it reaches 50% of its original value. You will pay a monthly premium during retirement of \$.9258 per \$1,000 coverage until reaching age 65. After age 65, your monthly premium will reduce to \$.59 per \$1,000 coverage for the rest of your life unless you cancel the reduction option or your Basic Life Insurance coverage.

If you choose *no* reduction, your Basic Life Insurance coverage will remain at its original value for life. You will pay a monthly premium during retirement of \$2.3758 per \$1,000 coverage until reaching age 65. After age 65, your

monthly premium will reduce to \$2.04 per \$1,000 coverage for the rest of your life unless you cancel the reduction option or your Basic Life Insurance coverage.

☛ If you cancel your FEGLI enrollment after retirement, you cannot reinstate it or convert it to a private policy.

#### *Optional coverages*

You may continue your Optional Life Insurance coverage (Standard, Additional, and/or Family) when you retire if you meet all of the following conditions:

- You continue the Basic Life Insurance coverage into retirement,
- You are covered by the specific Optional coverage during the five years of service before you retired or since you were first eligible to enroll, and
- You do not convert to an individual policy.

Premiums for Optional Life Insurance will be deducted from your retirement annuity and you can cancel the option (or change the number of multiples in the case of Additional or Family Life Insurance) at any time. Once Optional coverage is canceled or reduced after you retire, it cannot be reinstated, increased, or converted to a private policy. Also, it is important to remember that if you cancel your Basic coverage, all Optional coverage is also canceled.

*Option A, Standard Life Insurance*, provides \$10,000 of coverage above the Basic Life Insurance amount. Beginning at age 65, or date of retirement, if later, coverage reduces 2% per month until it reaches 25% of its original value, or \$2,500. You will pay a monthly premium during retirement of \$5.85 per month between the ages of 55-59, and \$13.00 per month between the ages of 60-64. You stop paying premiums beginning at age 65.

*Option B, Additional Life Insurance*, provides coverage equal to one, two, three, four, or five times your annual basic pay at retirement. You will take into retirement the fewest number of multiples you carried during the five years of service immediately before you retired. You may elect full or no reduction for all of these multiples. If you elect *no* reduction, your premiums will continue to be withheld after age 65. You will pay a monthly premium during retirement of \$0.672 per \$1,000 coverage between the ages of 55-59, and \$1.517 per \$1,000 at age 60 and over. If you choose full reduction, your coverage will reduce 2% per month beginning at age 65 or at retirement if over age 65 until there is no coverage left. You stop paying premiums beginning at age 65.

*Option C, Family Life Insurance*, provides coverage equal to one, two, three, four, or five times \$5,000 coverage for your spouse and \$2,500 coverage for each eligible family member. You will take into retirement the fewest number of multiples you carried during the five-year/first opportunity to enroll

requirement you held immediately before retiring. You may elect full or no reduction for all of these multiples. If you elect no reduction, your premiums will continue to be withheld after age 65. You will pay a monthly premium during retirement of \$3.14 per multiple of coverage between the ages of 55-59, and \$5.63 between the ages of 60-64. Retirees age 65 and over will pay \$5.63 per multiple of coverage in 1999. Monthly premiums increased in April 2000 to \$6.50 per multiple of coverage between the ages of 65-69, and \$7.37 per multiple of coverage for age 70 and over. If you choose full reduction, your coverage will reduce 2% per month beginning at age 65 or at retirement if over age 65 until there is no coverage left. You stop paying premiums beginning at age 65.



# Retirement Checklist

Use this as your personal retirement planning worksheet and check off items as you complete them.

→ For additional details on any of these items, read the corresponding section in this *Guide*.

## *Six-year period before retirement*

- ☐ Request to attend a pre-retirement seminar.

## *Five-year period before retirement*

The five-year period before you retire is important because there are certain benefits which require at least five years of participation before you can continue them into retirement.

*FEHB coverage.* You can keep your FEHB coverage while retired if you meet all of the following conditions:

- ☐ You are covered under the FEHB (or TriCare) for at least:
  - your five years of service immediately before retiring or
  - the entire time that you were eligible to enroll in the FEHB.
- ☐ You are covered by the FEHB or are covered as a family member under a spouse's FEHB enrollment when you retire from Federal service, and
- ☐ You are entitled to an immediate annuity (one that begins within one month after you leave Federal service).

*FEGLI coverage.* You can keep Basic Life Insurance while you are retired if you meet all of the following conditions:

- ☐ You retire from a position in which you were insured,
- ☐ You do not convert to an individual policy when the Basic Life Insurance as an employee would otherwise cease,
- ☐ You retire on an immediate annuity, and
- ☐ You have been enrolled in the FEGLI program for the five years of service immediately before retiring or the full period(s) of service during which Basic Life Insurance was available, if less than five years.

You can keep Optional Life Insurance while you are retired if:

- ☐ You continue Basic Life Insurance coverage,
- ☐ You do not convert to an individual policy when the Basic Life Insurance as an employee would otherwise cease, and
- ☐ You are enrolled in Optional Life Insurance for not less than the five years of service immediately before retiring or for the full period(s) of service during which Optional Life Insurance was available, if less than five years.

*Making deposits/redeposits.* Apply to make deposits for:

- ☐ Post-1956 military service.
- ☐ Deposit service (→ see the appropriate section in this chapter to determine how service will be credited if you do not pay the deposit. This may affect your decision whether or not to pay the deposit).
- ☐ Redeposit (refunded) service (→ see the appropriate section in this chapter to determine how certain refunded service will be credited if you do not pay the redeposit. This may affect your decision whether or not to pay the redeposit).

#### *One year before retirement*

- ☐ Determine when you will meet the age and service requirements for retirement.
- ☐ Choose a retirement date. If separating under FERS "minimum retirement age + 10" provisions (with age reduction), decide whether you want to apply for annuity at separation or later to minimize or avoid reduction for age.
- ☐ Obtain information about any non-civil service pensions for which you might be eligible (i.e., Foreign Service, Social Security, pensions from private industry, Thrift Savings Plan, and/or IRAs).
- ☐ Review your official personnel folder (OPF). Call the ERC to ensure that all of the following items have been officially documented and to determine that the records are sufficient verification of service for retirement purposes. If you have any questions or believe that any necessary documentation is missing from the OPF, contact your servicing Transactional Processing Branch.
  - ☐ A record of each of the periods of service you believe you had.
  - ☐ The beginning and ending dates for each period of service.
  - ☐ The effective dates for each promotion, within-grade increases, or other pay changes during any Federal service for which retirement deductions were not withheld from your salary or service which might fall into your high-three average salary period. (If all pay changes during deposit service are not available, total earnings can be used.)
  - ☐ Documentation of your tour of duty (for example, 60 hours/pay period during any regular part-time appointment during deposit service, service taking place on or after April 7, 1986, or any other service which might fall into your high-three average salary period). For cases that receive credit as FERS service only, documentation of all tours of duty during any regular part-time appointments.
  - ☐ A record of the time you actually worked during intermittent or seasonal service.
  - ☐ A copy of both sides of your military discharge paper and/or your DD-214, Record of Military Service.
  - ☐ A record of your current Federal life insurance coverage on SF-2817, *Life Insurance Election Form (Federal Employees' Group Life Insurance)*.
  - ☐ Your SF-2823, *Designation of Beneficiary (Federal Employees' Group Life Insurance)*, and SF-3102, *Designation of Beneficiary (Federal Employees' Retirement System)*, if you filed either form, showing the person(s) you currently want designated. If you are in CSRS, your SF-2808, *Designation of Beneficiary (Civil Service Retirement System)*, is at the Office of Personnel Management (OPM). If you transferred to FERS, any SF-2808 is no longer valid. You should complete a new SF-3102 if you have not already done so.
- ☐ Call the Social Security Administration (SSA) at (800) 772-1213 to ask about your future eligibility for Social Security benefits and an estimate of the amount. Also request Form SSA-7004, *Request for Earnings and Benefit Estimate Statement*. Within two to three months of turning age 62 (before or after retiring), contact the SSA to decide when to apply for benefits.
- ☐ Determine if the Social Security Windfall Elimination Provision or the Government Pension Offset affect any Social Security benefits you expect.
- ☐ Request your estimated annuity computation (Employee Connection, menu 5).
- ☐ Contact a Retirement Specialist by calling the ERC if you need assistance making decisions on paying deposit or waiving military retired pay.
- ☐ Decide whether to waive military retired pay, if applicable.

- ☐ Decide how and when to receive your Thrift Savings Plan (TSP) funds. Arrange to pay off any TSP loans before retirement to avoid delay in receiving TSP distributions. TSP is managed by the Federal Retirement Thrift Investment Board, and you should address your questions to the Thrift Savings Plan Service Office, National Finance Center, P.O. Box 61500, New Orleans, LA 70161-1500, or call from work FTS (504) 255-6000.
- ☐ If you receive any workers' compensation benefits for a work-related injury or illness, determine the impact that these benefits will have on your annuity.

#### *Six months before retirement*

- ☐ Decide when to send waiver of military retired pay to your military finance center. You may do this 60 to 90 days before you retire.
- ☐ Resolve any outstanding property or financial obligations to the Service. If you do not, the Service will ask the OPM to withhold the debt from your retirement annuity.
- ☐ Inform your manager, in writing, of your proposed retirement date.
- ☐ Contact a Retirement Specialist by calling the ERC if you have any questions about the retirement process.

#### *Two months before retirement*

- ☐ Request that a retirement package be mailed to your home address (Employee Connection, menu 3). If you have been separated for more than 30 days, you should contact the OPM for a retirement application.
- ☐ Contact a Retirement Specialist by calling the ERC if you have any questions about the retirement process.

FERS employees will receive the following forms in their retirement package, SF-3107, *Application for Immediate Retirement (Federal Employees' Retirement System)*:

- Pamphlet 76-12, *Federal Employees' Group Life Insurance*,
- Publication 721, *Tax Guide to U.S. Civil Service Retirement Benefits*,
- Publication 1798, *Retiring Qs & As*,
- RI-79-2, *Information for Retirees and Survivor Annuitants About the Federal Employees Health Benefits Program*,
- SF-8, *Notice to Federal Employees About Unemployment Insurance*,
- SF-2818, *Continuation of Life Insurance Coverage (Federal Employees' Group Life Insurance)*,
- SF-2823, *Designation of Beneficiary (Federal Employees' Group Life Insurance)*,
- SF-3107-1, *Certified Summary of Federal Service* (Return this form uncompleted with your retirement application. Your Retirement Specialist will complete it.),
- SF-3107-2, *Spouse's Consent to Survivor Election* (only required if you do not elect the full survivor benefit for your current spouse) (Return this form uncompleted with your retirement application. Your Retirement Specialist will complete it.),
- SF-3701-Sch D, *Agency Checklist of Immediate Retirement Procedures*,
- TSPBK01, *TSP Withdrawal Information Package*, and
- W-4P, *Withholding Certificate for Pension or Annuity Payments*.
- SF-3113, *Applying for Immediate Retirement*.
- RI-38-126, *Life Events and Your Retirement and Insurance Benefits*.
- RI-38-128, *Electronic Fund Transfer (EFT)*.



CSRS employees will receive the following forms in their retirement package, SF-2801, *Application for Immediate Retirement (Civil Service Retirement System)*:

- Pamphlet 76-12, *Federal Employees' Group Life Insurance*,
- Publication 721, *Tax Guide to U.S. Civil Service Retirement Benefits*,
- Publication 1798, *Retiring Qs & As*,
- RI-20-59, *Information for Annuitants on the Civil Service Retirement System*,
- RI-79-2, *Information for Retirees and Survivor Annuitants About the Federal Employees Health Benefits Program*,
- SF-8, *Notice to Federal Employees About Unemployment Insurance*,
- SF-2801-1, *Certified Summary of Federal Service* (Return this form uncompleted with your retirement application. Your Retirement Specialist will complete it.),
- SF-2801-2, *Spouse's Consent to Survivor Election* (only required if you do not elect the full survivor benefit for your current spouse),
- SF-2801-3, *Election of Former Spouse Survivor Annuity or Combination Current/Former Spouse Survivor Annuity* (only required if you wish to make this type of election),
- SF-2801-Sch D, *Agency Checklist of Immediate Retirement Procedures* (Return this form uncompleted with your retirement application. Your Retirement Specialist will complete it.),
- SF-2818, *Continuation of Life Insurance Coverage (Federal Employees' Group Life Insurance)*,
- SF-2823, *Designation of Beneficiary (Federal Employees' Group Life Insurance)*, and
- W-4P, *Withholding Certificate for Pension or Annuity Payments*.
- RI-38-126, *Life Events and Your Retirement and Insurance Benefits*.
- RI-38-128, *Electronic Transfer Fund (ETF)*.

- ☐ Complete your retirement application and all related forms.
- ☐ Sign and date your application. Be sure to initial Annuity Election.
- ☐ To ensure your annuity is deposited in your bank account, fill out the ETF Election form in your retirement package.
- ☐ Refer to your TSPBK01 for procedures necessary to elect TSP disbursements. Complete necessary forms and file them with the TSP Service Office 31 days after you retire.
- ☐ Return all completed forms and required documents to your appropriate BeST Site 45 days prior to your retirement date. (keep a copy for personal reference). Call the ERC to get the address for your BeST Site.
- ☐ Prepare a written notification of your intent to retire. You may withdraw this notification at any time before its effective date as long as you give your manager a written notice before a commitment is made to fill your position.
- ☐ Obtain Form 5389, *Separating Employee Clearance Certificate*, from your manager and begin the separation process. Ensure that your manager begins timely processing of the required separation documents.

## Reemployment After Retirement

*If you return to work for the Service after retiring, you return as either an **employee** or a **reemployed annuitant**. You are a reemployed annuitant if you continue to receive a retirement annuity when you are reemployed. If you return as an employee, the information in this Guide applies to you the same as it does all other employees. If you return as a reemployed annuitant, many of your benefits could be affected as discussed in this chapter.*

→ See the chart entitled "How reemployment affects certain retirement benefits" for at-a-glance information on your reemployment and:

- Receiving a retirement annuity while reemployed,
- Contributing to a retirement plan while reemployed, and
- Receiving an annuity after reemployment.


### Receiving a retirement annuity during reemployment

Depending on why you retired and the type of appointment you receive when you are reemployed, your retirement annuity during your reemployment can:

- Continue,
- Terminate, or
- Be suspended.

### Your salary


If your retirement annuity continues after you are reemployed (based on the chart entitled "How reemployment affects certain retirement benefits"), your salary will be reduced by the amount of the annuity. If you work part time, your salary reduction will be prorated based on your earnings. For example, if you work 20 hours a week, your salary will be reduced by one half of your annuity since your tour of duty is one half of a full-time tour of duty.

 If you are a reemployed annuitant and you have questions concerning a supplemental annuity or a redetermined annuity, contact a Retirement Specialist through the ERC.

### Contributing to a retirement plan when you are reemployed

How you contribute to a retirement plan when you are reemployed depends on which retirement system you were covered under when you retired and the type of position you have when you are reemployed.

If you retired under the Civil Service Retirement System (CSRS) and are reemployed in a position that is not excluded from retirement coverage, you can have contributions to a retirement plan withheld from your salary. The contributions are based on the full pay for your position, before any annuity reduction.

 It is to your benefit to have contributions to a retirement plan withheld if you will work the equivalent of at least one year of full-time service or the part-time equivalent and thus qualify for a *supplemental* annuity (discussed in the next section).

If you retired under the Federal Employees' Retirement System (FERS) and are reemployed in a position that is not excluded from retirement coverage, you must have contributions withheld from your salary.

☛ When your reemployment service ends and you are not eligible for a *supplemental* or *redetermined* annuity (described in the next section), you can apply to the Office of Personnel Management (OPM) for a refund of the retirement contributions you made during your reemployment. → See the *Leaving the IRS* chapter for information about getting a refund of retirement contributions.

### Receiving an annuity after reemployment

If you continue to receive a retirement annuity while you are reemployed and you work at least one year full time or the part-time equivalent, you will be eligible for a *supplemental* annuity that is based on your reemployment service when you leave the Service. You must have paid a deposit for this supplemental annuity, either through salary deductions (automatically withheld for FERS reemployed annuitants and voluntarily withheld for CSRS reemployed annuitants; both were discussed in the previous section) or in a lump sum payment after your reemployment ends (the OPM will bill you).

Your supplemental annuity is computed based on the length of your reemployment service and the average salary you received while reemployed. If you are a CSRS employee and your original retirement was based on at least 10 years of service, your supplemental annuity will generally be 2% of your average salary for each full year you were reemployed. If you are a FERS employee, your supplemental annuity will generally be 1% of your average salary for each full year you were reemployed.

☛ The 1.1% of average salary per year of service that applies to annuities of people who retire at age 62 or later with at least 20 years of service does not apply in computing a supplemental annuity.

If you are reemployed for at least five years of full-time service or the part-time equivalent, you will be eligible for a *redetermined* annuity. In this case, the OPM will recompute your entire annuity based on your new average salary and combined length of service.

### Annual leave

When you retire, you are paid an amount equal to the value of your unused annual leave. This payment covers the period of time you would have been on annual leave if you had used it. If you are reemployed before the end of this period of time, you will owe the Service an amount equal to the value of the unused leave. This unused leave will be credited to your annual leave balance,

## How reemployment affects certain retirement benefits

Basis for retirement	Type of appointment	Receiving a retirement annuity while reemployed	Contributing to a retirement plan while reemployed	Receiving an annuity after reemployment
<ul style="list-style-type: none"> <li>• Optional</li> <li>• Early</li> <li>• Deferred</li> <li>• Mandatory*</li> </ul>	Any type**.	Continued without interruption.	<b>FERS</b> retirees must have retirement deductions withheld. <b>CSRS</b> retirees may elect to have retirement deductions withheld.	Continues, with supplemental annuity payable if final period of reemployment consists of at least one year of continuous full-time service or continuous part-time service equivalent to at least one year of full-time service. If reemployment continues at least five years, individual is entitled to a recomputation of annuity.  ☛ A deposit must be paid for all reemployment service for which retirement deductions were not withheld from salary.
• Disability (retiree not found recovered or restored to earning capacity)	Any type** (regardless of age).	Continued without interruption.		
• Discontinued service	Not subject to Retirement Act**.	Terminated from day of reemployment.	Applicable retirement deductions.	Redetermined (new annuity right based on law in effect at time of subsequent separation).
	Subject to Retirement Act.			
• Disability (retiree found recovered or restored to earning capacity)	Subject to Retirement Act.	Terminated from day of reemployment.	Applicable retirement deductions.	Redetermined (new annuity right based on law in effect at time of subsequent separation).
	Not subject to Retirement Act.	Suspended (unless medical condition recurs or worsens) from day of reemployment.	FICA tax, if employment under Social Security.	Resumed at same rate***.

\*This type of separation applies only to certain employees covered under special provisions of the retirement law.

\*\*Reemployed annuitants serve in non-permanent positions at the will of the appointing officer. The appointment may be full time, part time, or intermittent, and may be time-limited.

\*\*\*If a disability retiree is determined to be restored to earning capacity, annuity payments are continued for six months from the end of the year in which earning capacity is restored. If a disability retiree is found medically recovered, annuity payments are continued for one year from date of the finding of medical recovery. In either case, annuity payments end if the individual is reemployed in Federal service during the grace period.

except for the excess (any amount over 240 hours) that you cannot carry into a new leave year. You will forfeit that excess even though you have paid for it.

☛ If you retire close to or at the end of a leave year with an annual leave balance of more than 240 hours, you may want to delay your reemployment until after the period covered by excess leave.

If you are reemployed immediately after you retire (but before your lump sum annual leave has been processed), you will not be paid for your unused annual leave. Instead, you will keep your annual leave balance as if you had not retired.

While reemployed, you will earn annual leave based on the amount of your past Federal service: six hours per pay period if your service is between three and 15 years and eight hours per pay period for service over 15 years. You will accrue annual leave on a prorated basis if you work part-time.

#### **Sick leave**

Reemployed annuitants earn sick leave at the same rate as other IRS employees: four hours for an 80-hour pay period (prorated for part-time work).

If you retired under CSRS, any sick leave you had when you retired was used to increase your length of service for computing your annuity. Therefore, it will not be recredited to you as a reemployed annuitant. You will start your reemployment service with a zero balance of sick leave.

If you retired under FERS, sick leave that you earned as a FERS employee was *not* used to increase your length of service for computing your annuity. Therefore, the amount you had when you retired will be recredited to you as a reemployed annuitant, and you will start your reemployment with the sick leave balance you had when you retired.

☛ Contact an Employee Account Representative through the ERC if you retired under FERS but part of your annuity was computed under CSRS rules. They will determine if any of your sick leave can be re-credited to you as a reemployed annuitant.

#### **Health insurance coverage**

If you are covered by the Federal Employees Health Benefits (FEHB) program as a retiree and you continue to receive your retirement annuity while you are reemployed, your FEHB premiums will continue to be withheld from that annuity.

If you are re-employed into a position that conveys FEHB eligibility and want to participate in the premium conversion plan, your health insurance can be transferred from OPM to IRS. Call the ERC for more information.

If you are not covered by the FEHB as a retiree, and the type of appointment you have when you are reemployed does not exclude you from enrolling in the FEHB, you can enroll in the program.


→ See the *Insurance* chapter for information about enrolling in the FEHB.

#### Life insurance coverage


→ If you continue to receive your retirement annuity when you are reemployed, you can keep your Federal Employees' Group Life Insurance (FEGLI) coverage, subject to the restrictions in the following chart.

*Acquiring new coverage as an employee.* You can acquire new coverage as an employee as long as your appointment is for one year or more, is not intermittent, and your break in service was for more than four days. If this applies to you, your coverage as an annuitant (except for your Additional Life Insurance coverage) is suspended while you are reemployed.

If you were covered by Additional Life Insurance as a retiree, you can have that coverage suspended while you are reemployed and get the same coverage as an employee if you do it within 31 days of your reemployment. The amount of coverage and the deductions are based on the full pay for your position as a reemployed annuitant.

 To sign up, complete SF-2817, *Life Insurance Election Form (Federal Employees' Group Life Insurance)* (get one from Employee Connection, menu 3) and submit the completed form to your Transactional Processing Branch (get the address from Employee Connection, menu 9 or see this *Guide's Appendix*).

*Waivers of life insurance coverage.* If you are reemployed more than 180 days after retiring, you can cancel any waivers of life insurance coverage that you had and enroll for coverage as an employee as long as you are in a position not excluded from FEGLI coverage.

 If you want to continue your life insurance coverage in retirement, do not waive new insurance coverage acquired during reemployment: the waiver will cancel your coverage both during reemployment and retirement.

*Continuing your reemployment-acquired insurance after retirement.* Upon separation after reemployment, you can continue your reemployment-acquired insurance into retirement only if you meet the following conditions:

- You qualify for a supplemental annuity (see the earlier section on *Receiving an annuity after reemployment*),
- You otherwise meet the eligibility requirements for continuing life insurance coverage into retirement, and
- You elect to do so (the OPM will contact you with the necessary forms you need to complete and submit).

## Life insurance coverage for reemployed annuitants whose annuity continues during retirement

Type of insurance or option carried	What happens during reemployment?	What happens after reemployment ends?
Basic Life Insurance	Covered as an employee and your Basic Life Insurance as an annuitant is suspended; premium deducted from salary. However, if you die while reemployed, your beneficiary(ies) will receive the higher of the two insurance amounts, your insurance as an annuitant or your insurance as an employee. Covered as an employee; premium deducted from salary.	If eligible for supplemental annuity, can choose between originally-acquired or reemployment-acquired base amount. If not eligible for supplemental annuity, originally-acquired base is used.
Premium for post-retirement reduction	Premium suspended during reemployment.	Depends on base amount chosen. If originally-acquired base is used, must use originally chosen reduction. If reemployment-acquired base is chosen, can make new election. If no reduction taken at retirement, can choose 50% or 75% reduction at any time. If 50% reduction taken at retirement, can choose 75% reduction at any time.
Standard Life Insurance (Must carry Basic Life Insurance in order to elect Standard, Additional, or Family Life Insurance.)	Covered as an employee; premium deducted from salary.	Premium deducted from annuity.
Additional Life Insurance (Must carry Basic Life Insurance in order to elect Standard, Additional, or Family Life Insurance.)	Must choose; can be deducted from salary or annuity. (Reemployed annuitants over age 50 cannot elect a higher number of multiples than they previously continued into retirement.)	Depends on base amount chosen. If originally-acquired base is chosen, must use multiples originally chosen.
Family Life Insurance (Must carry Basic Life Insurance in order to elect Standard, Additional, or Family Life Insurance.)	Covered as an employee; premium deducted from salary.	Premium deducted from annuity.

Otherwise, your suspended coverage is reinstated and withholdings, if applicable (such as premiums for a lesser reduction or no reduction after age 65), will resume.

If you die during your reemployment, your beneficiary(ies) will be paid your new life insurance coverage or your coverage as a retiree, whichever is higher.

#### Transferring to the Federal Employees' Retirement System (FERS)

If you retired under CSRS and you are reemployed after a break in service of at least four days, you can elect to transfer to FERS within 180 days after your reemployment. If you choose not to be covered under FERS, you will be covered under CSRS.

One of the benefits of transferring to FERS is the expanded options of participating in the Thrift Savings Plan (see the following section).

#### Participating in the Thrift Savings Plan (TSP)

As a reemployed annuitant, your participation in the TSP depends on:

- The length of your break in service while you were retired,
- What type of position you have when you are reemployed, and
- The retirement plan under which you are reemployed.

If you are reemployed after a break in service of 30 days or less in a position not excluded from participating in the TSP, your TSP contributions will continue at the same rate as during your previous employment. If you are reemployed after a break in service of 31 or more full calendar days, you can join the TSP within 60 days from the effective date of the appointment. If you do not join within 60 days, you must wait until the next open season to enroll. There are two TSP open seasons each year: November 15 through January 31 and May 15 through July 31. If reemployed after June 30, 2001, you can join in the TSP within 60 days of appointment.

If you choose to transfer to FERS when you are reemployed and you meet the requirements stated in the previous section, you can elect to participate in the TSP within 30 days of your transfer and, like other FERS employees, can contribute up to 11% (6% for CSRS) of your base salary (before any reduction) for 2001. Effective January 2002 and each following year, the contribution limits will increase by 1% until January 2006 for a total of 15% (10% for CSRS).

**Note:** New contribution limits allow a 1% increase each year for the next five years as follows:



<b>Year</b>	<b>FERS Limit</b>	<b>CSRS Limit</b>
2001	11%	6%
2002	12%	7%
2003	13%	8%
2004	14%	9%
2005	15%	10%


In 2006, the contribution limits will be lifted entirely. These changes will continue to be capped by the Internal Revenue Service elective deferral limit.

→ See the *Planning for Your Financial Future* chapter for more information on the TSP.


# Death in Service

This chapter explains what happens to your benefits if you die while still employed by the IRS. These benefits include your:

- Unpaid compensation,
- Retirement contributions,
- Health insurance coverage,
- Life insurance coverage, and
- Thrift Savings Plan (TSP) account.

 Managers should call the ERC to:

- Report an employee death to a Retirement Specialist. Survivors will be sent any forms that need to be completed that are relevant to the employee's benefits.

 Employees can call Employee Connection to:

- Get the amount of a survivor annuity (menu 5).

→ If there is no survivor eligible to receive an annuity, your retirement contributions will be paid to your beneficiary. See the *Designating Beneficiaries* chapter.

## Unpaid compensation

If you die in service, any unpaid compensation at the time of your death (your final salary check, lump sum annual leave payment, credit hours, comp time, savings bond refunds, etc.) will be paid to the beneficiary(ies) that you have designated in writing (Form 1152, Designation of Beneficiary for Unpaid Compensation) and that are on file in your official personnel folder (OPF) in your Transactional Processing Branch (TPB). If there is no designation of beneficiary(ies) on file, then any unpaid compensation will be paid in the Federal Order of Precedence set by law. See the chapter, *Designating Beneficiaries*, for information on the FOP.

If you have any indebtedness at the time of death (such as advanced annual leave or outstanding travel advances), it may be withheld from any unpaid compensation money due to your beneficiary(ies).

→ See the *Designating Beneficiaries* chapter and the *Pay* chapter (section on *Payroll debts owed to the Service*) for more information.

## Retirement contributions

*Civil Service Retirement System (CSRS) and CSRS Offset employees.* If you die in service, a spouse or family member should contact your manager. Your spouse and children may qualify for a survivor annuity if:

- Your death occurs while you are employed and are subject to CSRS deductions,
- Your death occurs after you have completed at least 18 months of creditable civilian service, and
- You were married to your spouse at least nine months before your death or, if less than nine months, if a child is born of the marriage or your death is accidental.

If there is no survivor eligible to receive an annuity, your retirement contributions will be paid to your beneficiary. See the *Designating Beneficiaries* chapter.

If you die after your 60<sup>th</sup> birthday, your spouse will be entitled to a survivor annuity equal to 55% of the earned annuity you would have received if you had retired on your date of death. However, if you die before reaching age 60 and

have less than 21 years and 11 months of creditable service, your spouse will receive a guaranteed minimum annuity amounting to 55% of the lesser of 40% of your high-three average salary or the regular annuity obtained under the basic annuity formula after extending your length of service to the date you would have reached age 60. If you have 21 years and 11 months of creditable service, your surviving spouse will receive 55% of your earned annuity as of the date of your death (under the basic formula) without any age reduction. Eligible children can receive a survivor annuity. → See the chart near the end of this chapter for a definition of *eligible* children.

The amount of the child's survivor annuity depends on the number of eligible children and whether the child has a living parent or is orphaned. Benefits begin on the day after your death and end on the last day of the month the child no longer meets the eligibility requirements.

→ If there is no survivor eligible to receive an annuity, your retirement contributions will be paid to your beneficiary. See the *Designating Beneficiaries* chapter.

*Federal Employees' Retirement System (FERS) employees.* If you die in service, a spouse or family member should contact your manager. Your spouse and children may qualify for survivor benefits and a possible annuity if:

- Your death occurs while you are employed and are subject to FERS deductions,
- Your death occurs after you have completed at least 18 months of creditable civilian service, and
- You were married to your spouse at least nine months before your death or, if married less than nine months, a child was born of the marriage or your death is accidental.

If you have at least 18 months of civilian service, your spouse will receive a one-time, lump sum payment plus the larger of either: 50% of your annual salary at the time of death or 50% of your high-three average salary. In addition, if you have 10 or more years of service at the time of your death, your spouse will receive an annuity equal to 50% of your earned annuity at the time of death.

*Eligible* children can receive a survivor annuity. → See the chart near the end of this chapter for a definition of *eligible* children.

The amount of the child's survivor annuity depends on the number of eligible children and whether the child has a living parent or is orphaned. Benefits begin on the day after your death and end on the last day of the month that the child no longer meets the eligibility requirements.

☛ Note that Social Security benefits received will affect a child's entitlement to a FERS survivor annuity. If the Social Security benefits equal or are more than the FERS benefit, no FERS annuity will be paid. In many cases, the payments from Social Security will eliminate the FERS annuity altogether.

### Health insurance coverage

If you die while enrolled for Self and Family coverage in the Federal Employees Health Benefits (FEHB) program, all survivors who meet the definition of *eligible family member* (→ see the chart near the end of this chapter) will automatically be able to continue your enrollment as long as any one of them receives a survivor annuity and continues to meet the eligibility requirements. Their share of the cost of the plan remains the same and will be deducted from their annuity payment. If there is only one survivor who receives an annuity and no other family member is eligible for continued coverage, the enrollment will be changed automatically to the less expensive Self Only coverage.

Managers should call the ERC to:

- Report an employee death to a Retirement Specialist. Survivors will be sent any forms that need to be completed that are relevant to the employee's benefits.

Employees can call Employee Connection to:

- Get the amount of a survivor annuity (menu 5).

If you are covered under FERS, your survivors may be entitled to continue their health benefits enrollment even if no monthly survivor annuity benefit is received. This refers to widow(er)s who are entitled to receive the FERS one-time lump sum payment and child survivors whose FERS survivor annuity benefits are reduced by the amount of any Social Security benefit payable. They may continue their FEHB enrollment by paying premiums directly to the Office of Personnel Management, if they are otherwise entitled.

However, if the surviving spouse remarries before age 55, the FEHB enrollment will end on the last day of the month before the month in which the survivor remarries. If the survivor is enrolled in Self and Family coverage, the enrollment will automatically continue for any eligible children as long as one of them is entitled to receive a survivor annuity. If more than one client is eligible, the deduction will be taken from the youngest child's check.

A child or spouse who no longer meets the eligibility requirements may convert (even without evidence of good health) to a nongroup health benefits contract offered by the health benefits plan. → See the section on *Losing FEHB coverage* in the *Insurance* chapter.

### Life insurance coverage

If you die in service and you were enrolled in the Federal Employees' Group Life Insurance (FEGLI) program with Option C, Family Life Insurance, any *eligible family member* (→ see the chart immediately following this section) can convert his or her coverage to an individual policy within 31 days after your death or within 31 days after he or she receives notice of the right to convert, if later.

If you die in service, your life insurance proceeds will be paid to the beneficiary(ies) whom you have designated in writing (Form SF-2823, *Designation of Beneficiary for Federal Employees Group Life Insurance*) or following the Federal order of precedence that are on file in your OPF in your TPB. → See the *Designating Beneficiaries* chapter for more information.

☎ Call the ERC to get the address for your servicing BeST officer.

Eligible family members/children, for purposes of life and health insurance and retirement contributions, include:

- Your spouse,
- Your unmarried dependent children under age 22, including legitimate children, legally adopted children, children born out of wedlock (to whose support you make regular and substantial contributions or for whom a court has ordered you to pay support), stepchildren, recognized natural children, or foster children living with you in a regular parent-child relationship. A grandchild may be covered if the child meets the definition of a foster child (→ see the *Statement of Foster Child Status* in this Guide's Appendix, which you will need to complete and submit to your servicing Benefits and Services Team (BeST) office). This does not include foster children in the legal custody of a state or local government living with you under that government's foster care program for which you receive a subsidy. It may, however, include any child you have living with you whom you expect to raise to adulthood, and
- Unmarried dependent children over age 21 who are incapable of self-support because of a physical or mental disability that began before age 22 and is expected to last at least one year (→ see the *Statement of Child Incapable of Self-Support* in this Guide's Appendix, which you will need to complete and submit to your servicing BeST office).
- For life insurance purposes, a stillborn child is not considered an eligible family member.

### Thrift Savings Plan

If you die in service, your TSP account balance at the time of your death will be paid to the beneficiary(ies) that you have designated in writing (Form TSP-3, Designation of Beneficiary for Thrift Savings Plan) and that are on file in the Thrift Savings Plan Service Office. If there is no designation of beneficiary on file, then your TSP account balance will be paid in the Federal Order of Precedence set by law.

→ See the *Designating Beneficiaries* chapter for more information.

### Forms relevant to death in service

After being notified of an employee death, the employee's servicing BeST office will send survivors any forms that need to be completed that are relevant to the beneficiaries' benefits.

# National Treasury Employees Union (NTEU)

## Member Benefits

*NTEU's goal is to make the Federal government a better place to work for all employees. This includes better working conditions and better pay and benefits. In addition to the negotiated and legislative wins by NTEU in these areas, NTEU also offers members certain privileges that include expanded benefit choices. The following is a summary of those benefits.*

### Insurance Coverage

**DENTAL** — NTEU offers a comprehensive dental plan through CIGNA Dental Care. This plan offers the option of two schedules and can be used alone or as supplemental coverage to your current non-HMO Federal Employees Health Benefits (FEHB) plan. There are no deductibles or claim forms. There is no open season for signing up, coverage is immediate and there are no maximums. Under this managed care program, you may visit any participating dentist listed in the CIGNA Dental Care Directory. Premiums for the plan can be paid through payroll deduction (except for seasonal employees), direct bill, electronic fund transfer or by credit card. This managed dental plan incorporates ongoing quality control features, from initial credentialing of dentists, office visits and reviews of patient care quality. *CIGNA Dental Care is available in every state in the continental United States, including the District of Columbia, except: ME, MT, NV, NH, ND, SD, RI, VT, WV, and WY.*

→ Unless otherwise noted, you can get specific information on any of these benefits by contacting your local NTEU chapter.

**TERM LIFE** — Because nobody knows what tomorrow may bring, it is a good idea to protect your income with term life insurance coverage. NTEU FlexCare Group Term Life offers you this protection at economical group rates. Available member coverage is from \$10,000 to \$200,000. Spouses and children are eligible, too. The Living Benefits Option is available at no additional cost and allows access to as much as 50% of the face amount of your life insurance benefit if you are medically determined to be terminally ill. Compare our rates with the Federal Employees Group Life Insurance (FGLI) program. For members under age 50, this program is much more economical!

**HOSPITAL CASH PLAN** — Hospital care is expensive and it is usually not until after you are out of the hospital that you realize just how much of the cost must come out of your own pocket. Your Federal Employees Health Benefits (FEHB) insurance may pay up to 80% of these costs, leaving the rest to you. The FlexCare Hospital Cash Plan offers \$40, \$60, \$80, or \$100 per day cash payments to you, in addition to any other insurance coverage you may have. Dependent children may be covered until age 25. Members must be under age 65 at the time of enrollment. Premiums are paid either annually or semi-annually and are based on your age and increase at 10-year intervals.

**Accidental Death and Dismemberment (AD&D)** — You cannot always protect yourself from accidents, but with FlexCare Accidental Death and Dismemberment Insurance, you can protect yourself from some of the costs. This plan offers three-way protection: accidental death benefit that is payable regardless of other insurance coverage; dismemberment benefits that cover certain losses do to an accident; and disability benefits for persons who are unable to work when an accident results in total and permanent disability. You can select benefits from \$10,000 to \$100,000. Premiums range from \$5.40 to \$72.00 annually.

**Short-Term Disability, Universal Life and Cancer Insurance** — Colonial Life & Accident Insurance Company and First Unum Life Insurance Company (for members in New York State) are two companies that offer insurance plans that meet the needs of you and your family. Through Colonial and First Unum, NTEU offers Short-term Disability Coverage, Individual Life Insurance, and Cancer Coverage (not available in all states). Premiums for the member, spouse, and children can be paid through payroll deduction and coverage is portable, affordable, and guaranteed renewable. Your local chapter officer or steward can let you know how to schedule a meeting with a Colonial representative at your workplace or you can call the NTEU National Office at (202) 783-4444, Ext. 1303, to have your name and phone number forwarded to a Colonial representative who will contact you to schedule a convenient meeting time and discuss your individual insurance needs.

**LONG-TERM CARE** — The NTEU Long-Term Care plan offers skilled, intermediate, and custodial care in a nursing facility and non-confinement services such as adult day care, home health care, and respite care. Members, spouses, parents, and parents-in-law under age 80 (when coverage is approved and effective) are eligible to apply. Premiums for members and spouses are payable through payroll deduction or quarterly billing.

**AUTO AND HOMEOWNERS INSURANCE** — Members will benefit from NTEU's partnership with Liberty Mutual, one of the nation's largest insurers, to offer a program called Group Savings Plus, which offers money-saving group discounts on auto and homeowners policies. Group discounts coupled with other premium reductions such as multi-car, multi-policy, safe driver, passive restraints, and anti-theft device discounts could result in substantial savings for you and your family. NTEU members will also receive the greatest discount allowable by law in each state, which ranges from 5% to 10%. Premiums are paid by direct billing or through checking account deduction. No down payments are required when checking account deduction is selected. Liberty Mutual has 24-hour claims service and 24-hour emergency roadside assistance for auto policyholders.

**PROFESSIONAL LIABILITY INSURANCE** — NTEU members now have the opportunity to purchase professional liability insurance which will: 1) pay sums up to \$1 million that you are obligated to pay as damage in suits based on

acts, errors or omissions committed in the performance of official duties; 2) provide counsel, without limitation, to defend any suit for damage brought against you. This counsel is available if either the Department of Justice delays or declines representation; and, 3) provide counsel and pay cost of defense and monetary penalties arising out of disciplinary proceedings (including investigations), criminal proceedings (including investigations) and judicial sanction up to \$100,000 annually. Premiums are graduated and based on grade.

#### **Automotive Benefits**

NTEU members are entitled to a 10% discount off the regular price of parts and labor at all Penske Auto Centers. Penske company-owned service centers provide warranty service coast-to-coast.

Jiffy Lube offers a 10% discount for car services at participating locations.

#### **Travel**

NTEU members can receive money saving discounts on car rental rates at Alamo, Avis, Dollar, Hertz and National.

Various hotel discounts are available on advance reservations at participating Choice Hotels (which include Sleep Inns, Comfort Inns, Quality Inns, Clarion Hotels, Friendship Inns, Econo Lodges and Rodeway Inns), Travelodge Hotels, Days Inn, Howard Johnsons, Ramada Hotels, and Super 8 Motels.

Various amusement, theme and water parks across the country offer discounts. An NTEU officer or steward can give you more information on the participating parks and locations.

#### **Relocation Services**

Weichert Relocation Co., Inc., a company of the Weichert Realtors organization, will provide NTEU members and their families with a "cash back" bonus when buying or selling a house, townhouse, or condominium through National Real Estate Services. Members will be eligible to receive up to a \$1,000 bonus, or \$2,000 if buying and selling, depending on the value of the property.

When moving to another state, Bekins Van Lines guarantees a bottom-line discount of 55% on transportation and supplementary services. An additional 30% discount is given on storage-in-transit, warehouse handling, and pick-up and delivery to and from storage-in-transit.

#### **Credit Card**

First USA offers a no annual fee Visa credit card with a low introductory rate with a balance transfer option. Members can apply for the First USA Classic or Platinum card.





## BeST (Benefits and Services Team) and TPB (Transactional Processing Branch) Mailing Addresses

You may need your BeST mailing address for information related to retirement or death in service. To find out which office services you or to use a mailing option other than regular mail, call the Employee Resource Center.

### Internal Revenue Service

Attn: BeST  
AUSC MS 1549  
P.O. Box 934  
Austin, TX 78767

### Internal Revenue Service

Attn: BeST  
550 Main Street Room 6015  
Cincinnati, OH 45202

### Internal Revenue Service

Attn: BeST MS 239  
P.O. Box 9044  
Andover, MA 01810

### Internal Revenue Service

Attn: BeST  
Room 1028  
1111 Constitution Ave., NW  
Washington, DC 20224

### Office of Executive Support

#### Internal Revenue Service

N:ADC:H:S Room 3513  
1111 Constitution Ave., NW  
Washington, DC 20224

### Chief Counsel

Internal Revenue Service  
CC: F&M:PPO:W, Room 4032  
1111 Constitution Ave., NW  
Washington, DC 20224

*(Field Chief Counsel employees are serviced by  
their Transactional Processing Branch (see  
below))*

You may need your TPB mailing address for information related to several items, including your official personnel folder or most designations of beneficiaries. To find out which office services you or to use a mailing option other than regular mail, call the Employee Resource Center.

### Internal Revenue Service

Transactional Processing Branch  
P.O. Box 830, Stop 219  
Holtsville, NY 11742

### Internal Revenue Service

Transactional Processing Branch  
P.O. Box 9046 Stop 233  
Andover, MA 01810

### Internal Revenue Service

Transactional Processing Branch  
P.O. Box 245, Drop 240  
Bensalem, PA 19020

### Internal Revenue Service

Transactional Processing Branch  
P.O. Box 934, Stop 1550-AUSC  
Austin, TX 78767

### Internal Revenue Service

Transactional Processing Branch  
P.O. Box 7902, Stop 1508  
Shawnee Mission, KS 66207

### Internal Revenue Service

Transactional Processing Branch  
550 Main Street Room 5002  
Cincinnati, OH 45202

### Internal Revenue Service

Transactional Processing Branch  
P.O. Box 30309, Stop 944  
Memphis, TN 38130

### Internal Revenue Service

Transactional Processing Branch  
P.O. Box 11040 Stop 945  
Fresno, CA 93779

### Internal Revenue Service

Transactional Processing Branch  
P.O. Box 9941, Stop 1502  
Ogden, UT 84409

### Chief Counsel

Internal Revenue Service  
CC:F&M:PPO:P Room 4033  
1111 Constitution Ave., NW  
Washington, DC 20224

*(Field Counsel staff employees should call FTS  
(202) 622-3510 with questions)*

## Life Events and Your Benefits

The following chart lists items to consider when circumstances in your life change. Each item is followed in parentheses by the corresponding chapter or chart to see in this *Guide*.

Event	Retirement	Health Insurance	Life Insurance	Thrift Savings Plan
First Hired or Rehired	<ul style="list-style-type: none"> <li>• Learn about coverages.</li> </ul>	<ul style="list-style-type: none"> <li>• Enroll within 60 days.</li> </ul>	<ul style="list-style-type: none"> <li>• Elect Coverage in 31 days.</li> </ul>	<ul style="list-style-type: none"> <li>• Learn about benefits available.</li> </ul>
Marriage	<ul style="list-style-type: none"> <li>• Review beneficiary status (<i>Designating Beneficiaries</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Review opportunities to change enrollment; consider Self and Family coverage (<i>Insurance</i> and <i>FEHB Enrollment Opportunities</i> chart).</li> </ul>	<ul style="list-style-type: none"> <li>• Review beneficiary status (<i>Designating Beneficiaries</i>).</li> <li>• Review opportunities to select Additional Life Insurance (<i>Insurance</i> and <i>FEGLI Enrollment Opportunities</i> chart).</li> </ul>	<ul style="list-style-type: none"> <li>• Review beneficiary status (<i>Designating Beneficiaries</i>).</li> </ul>
Divorce	<ul style="list-style-type: none"> <li>• Review beneficiary status (<i>Designating Beneficiaries</i>).</li> <li>• A court order can divide a refund of retirement contributions (<i>Leaving the IRS</i>).</li> <li>• A court order can divide a retirement annuity (<i>Retirement</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Review opportunities to change enrollment; consider changing to Self Only coverage if no more eligible family members (<i>Insurance</i> and <i>FEHB Enrollment Opportunities</i> chart).</li> <li>• A court order can permit a former spouse to continue coverage (<i>Insurance</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Review beneficiary status (<i>Designating Beneficiaries</i>).</li> <li>• Check level of coverage; consider canceling Family Life Insurance if no more eligible family members (<i>Insurance</i> and <i>FEGLI Enrollment Opportunities</i> chart).</li> <li>• A court order can require you to assign your FEGLI coverage to a former spouse or children (<i>Insurance</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Review beneficiary status (<i>Designating Beneficiaries</i>).</li> <li>• A court order can affect your account (<i>Planning for Your Financial Future</i>).</li> </ul>
Legal separation	<ul style="list-style-type: none"> <li>• Review beneficiary status (<i>Designating Beneficiaries</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Review opportunities to change enrollment; can change to self only IF no other eligible family members.</li> </ul>	<ul style="list-style-type: none"> <li>• Review beneficiary status (<i>Designating Beneficiaries</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Review beneficiary status (<i>Designating Beneficiaries</i>).</li> </ul>
Birth or other acquisition of child as a family member (including foster children)	<ul style="list-style-type: none"> <li>• Review beneficiary status (<i>Designating Beneficiaries</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Review opportunities to change enrollment; consider Self and Family coverage (<i>Insurance</i> and <i>FEHB Enrollment Opportunities</i> chart).</li> </ul>	<ul style="list-style-type: none"> <li>• Review beneficiary status (<i>Designating Beneficiaries</i>).</li> <li>• Review opportunities to select Additional Life Insurance (<i>Insurance</i> and <i>FEGLI Enrollment Opportunities</i> chart).</li> </ul>	<ul style="list-style-type: none"> <li>• Review beneficiary status (<i>Designating Beneficiaries</i>).</li> </ul>

## Life Events and Your Benefits, continued

Event	Retirement	Health Insurance	Life Insurance	Thrift Savings Plan
Child ceases to be eligible family member (for example, turns 22 or marries)	N/A	<ul style="list-style-type: none"> <li>Review opportunities to change enrollment; consider changing to Self Only coverage if no more eligible family members (<i>Insurance and FEHB Enrollment Opportunities</i> chart).</li> <li>—review criteria for electing Temporary Continuation of Coverage (TCC)</li> <li>—review criteria for child incapable of self-support.</li> </ul>	<ul style="list-style-type: none"> <li>Check level of coverage; consider canceling Family Life Insurance if no more eligible family members (<i>Insurance and FEGLI Enrollment Opportunities</i> chart).</li> </ul>	N/A
Death of employee's family member	<ul style="list-style-type: none"> <li>Review beneficiary status (<i>Designating Beneficiaries</i>).</li> </ul>	<ul style="list-style-type: none"> <li>Review opportunities to change enrollment: <ul style="list-style-type: none"> <li>—consider changing to Self Only coverage if no more eligible family members.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Review beneficiary status (<i>Designating Beneficiaries</i>).</li> <li>Check level of coverage; consider canceling Family Life Insurance if no more eligible family members (<i>Insurance and FEGLI Enrollment Opportunities</i> chart).</li> </ul>	<ul style="list-style-type: none"> <li>Review beneficiary status (<i>Designating Beneficiaries</i>).</li> </ul>
Death in Service (not work-related)	<ul style="list-style-type: none"> <li>Survivor Benefits eligibility.</li> </ul>	<ul style="list-style-type: none"> <li>Survivor eligibility to continue coverage.</li> </ul>	<ul style="list-style-type: none"> <li>Survivor benefits eligibility.</li> </ul>	<ul style="list-style-type: none"> <li>Survivor benefits eligibility.</li> </ul>
Retirement	<ul style="list-style-type: none"> <li>Check beneficiary status. Elect survivor benefit.</li> </ul>	<ul style="list-style-type: none"> <li>Need 5 years coverage to be eligible in retirement. If ineligible, may convert to nongroup contract or elect Temporary Continuation of Coverage.</li> </ul>	<ul style="list-style-type: none"> <li>Elect level of coverage. Need 5 years of coverage to be eligible in retirement. If ineligible may elect nongroup contract.</li> </ul>	<ul style="list-style-type: none"> <li>Consider withdrawal options. Check beneficiary status.</li> </ul>
Resignation	<ul style="list-style-type: none"> <li>Get rules on deferred annuity or refund of lump sum.</li> </ul>	<ul style="list-style-type: none"> <li>Convert to nongroup contract or elect Temporary Continuation of Coverage.</li> </ul>	<ul style="list-style-type: none"> <li>Consider conversion to nongroup contract.</li> </ul>	<ul style="list-style-type: none"> <li>Leave funds in account or consider withdrawal option: lump sum; annuity equal payments or rollover.</li> </ul>
Disabled for current position	<ul style="list-style-type: none"> <li>Consider disability retirement or, if illness resulted from job, check on Workers Compensation Benefits.</li> </ul>	<ul style="list-style-type: none"> <li>If in nonpay status, coverage continues for 365 days but you must agree to pay for coverage.</li> </ul>	<ul style="list-style-type: none"> <li>Serious illness may be eligible for Living Benefits or assignment of benefits. Also see <i>Retirement</i> above.</li> </ul>	<ul style="list-style-type: none"> <li>If illness results in financial hardship, may be eligible for inservice withdrawal.</li> </ul>

## Forms and Other Print Material Available From Employee Connection (menu 3)

When ordering forms or other print material:

- Select the appropriate sub-menu to hear a list of items available, or
- Select sub-menu 1 to order items directly by number. If you use this method, convert the form, document, or publication name to numbers on your telephone keypad (for example: SF-1199A becomes 7311992; Pub 721 becomes 782721; Form 9058 becomes 36769058).

AD-349, Change of Address for Payroll Records

CA-1, Federal Employee's Notice of Traumatic Injury and Claim for Continuation of Pay/Compensation

CA-2, Notice of Occupational Disease and Claim for Compensation

CA-2A, Federal Employee's Notice of Recurrence of Disability and Claim for Continuation of Pay/Compensation

CA-7, Claim for Compensation on Account of Traumatic Injury or Occupational Disease

CA-16, Authorization for Examination and/or Treatment (manager's only)

CA-17, Duty Status Report

CA-20, Attending Physician's Report

CA-550, Federal Injury Compensation Questions and Answers about the Federal Employees' Compensation Act

Doc 6647, NORD VI Agreement

Doc 6648, NC VI Agreement

Doc 9669, Employee Personnel Resource Guide

Doc 10095, Employee Connection Directory of Services

Form 5389, Separating Employee Clearance Certificate

Form 9058, IRS Leave Bank Program Membership/Contribution Form

Pub 721, Tax Guide to U.S. Civil Service Retirement Benefits

Pub 907, Tax Highlights for Persons with Disabilities

RI-20-97, Estimated Earnings During Military Service

RI-70-1, The Guide to Federal Employees Health Benefits Plan (for Federal Civilian Employees)

RI-70-5, The Guide to Federal Employees Health Benefits Plan (for TCC and Former Spouse Enrollees)

RI-70-8, The Guide to Federal Employees Health Benefits Plan (Certain Temporary Employees)

RI-71-3, Alliance Plan

RI-71-4, APWU Plan

RI-71-5, Blue Cross/Blue Shield Service Benefit Plan

RI-71-6, GEHA Plan

RI-71-7, Mail Handlers Plan

RI-71-9, NALC Plan

RI-71-13, Postmaster Plan

RI-72-6, SAMBA Plan

RI-76-10, Assignment of Federal Employees' Group Life Insurance

RI-76-21, Federal Employees' Group Life Insurance, FEGLI Program Booklet	SF-2809, Health Benefits Registration Form (Federal Employees Health Benefits Program)
RI-79-27, Temporary Continuation of Coverage (TCC) Under the Federal Employees Health Benefits Program	SF-2817, Life Insurance Election Form (Federal Employees' Group Life Insurance Program)
RI-90-3, FERS Transfer Handbook—A Guide to Making Your Decision	SF-2817F, Certification Form for a Foster Child
SB-2152, Savings Bonds Form, Series EE	SF-2822, Request for Insurance (Federal Employees' Group Life Insurance Program)
SB-2253, Savings Bonds Form, Series I	SF-2823, Designation of Beneficiary (Federal Employees' Group Life Insurance Program)
SF-180, Request Pertaining to Military Records	SF-3102, Designation of Beneficiary (Federal Employees' Retirement System)
SF-1152, Designation of Beneficiary (Unpaid Compensation of Deceased Civilian Employee)	SF-3106, Application for Refund of Retirement Deductions (Federal Employees' Retirement System)
SF-1187, Request for Payroll Deductions for Labor Organization Dues	SF-3106A, Current/Former Spouse's Notification of Application for Refund of Retirement Deductions under the Federal Employees' Retirement System
SF-1188, Cancellation of Payroll Deductions For Labor Organization Dues	SF-3107, Application for Immediate Retirement (Federal Employees' Retirement System) (package and form)
SF-1199A, Direct Deposit Sign Up Form	SF-3108, Application to Make Service Credit Payments for Civilian Service (Federal Employees' Retirement System)
SF-2801, Application for Immediate Retirement Under the Civil Service Retirement System (package and form)	SF-3109, Election of Coverage (Federal Employees' Retirement System)
SF-2802, Application for Refund of Retirement Contributions (Civil Service Retirement System)	SF-3110, Former Spouse's Consent to FERS Election
SF-2802B, Current/Former Spouse's Notification of Application for Refund of Retirement Deductions Under the Civil Service Retirement System	SF-3111, Request for Waiver, Extension or Search (In Connection With Election of FERS Coverage)
SF-2803, Application to Make Deposit or Redeposit (Civil Service Retirement System)	SF-3112, Document in Support of Disability Retirement Application (package and form)
SF-2804, Application to Make Voluntary Contributions (Civil Service Retirement System)	SSA-7004, Request for Earnings and Benefit Estimate
SF-2808, Designation of Beneficiary (Civil Service Retirement System)	TD-F-64-51.1, I Suggest Form

TSP-1, Thrift Savings Plan Election Form	TSPBK01, Thrift Savings Plan Withdrawal Information Package
TSP-3, Thrift Savings Plan Designation of Beneficiary	TSPBK02, Withdrawing Your TSP Account Balance After Leaving Federal Service
TSP-16, Thrift Savings Plan Exception to Spousal Requirements	TSPBK03, Guide To TSP Investments
TSP-17, Application for Account Balance of Deceased Participant	TSPBK04, Thrift Savings Plan Loan Program
TSP-20, Thrift Savings Plan Loan Application	TSPBK05, Thrift Savings Plan Annuities
TSP-50, Thrift Savings Plan Investment Allocation	TSPBK08, Summary of the Thrift Savings Plan for Federal Employees
TSP-70/70T, Thrift Savings Plan Withdrawal Request	TSPBK11, Thrift Savings Plan Information About Court Orders
TSP-75, Thrift Savings Plan Age-Based In-Service Withdrawal Request	TSPBK12, TSP In-Service Withdrawals
TSP-76, Thrift Savings Plan Financial Hardship In-Service Withdrawal Package	W-4, Employee's Withholding Allowance Certificate
TSP-536, Important Tax Information About Payments From Your TSP Account	W-5, Earned Income Credit Advance Payment Certificate
TSP-582, Tax Treatment of Thrift Savings Plan Payments Made Under Qualifying Orders	

## Multimedia Material Available From Employee Connection (menu 4)

When ordering multimedia material:

- Select the appropriate sub-menu to hear a list of items available.
- Note that sub-menus 2-6 are available only to employees who are coded visually impaired in the payroll system.

### Available for the visually impaired:

#### **Audio cassettes**

Alliance Fee-for-Service Plan

APWU Fee-for-Service Plan

Blue Cross/Blue Shield Fee-for-Service Plan

GEHA Fee-for-Service plan

Mail Handlers Fee-for-Service plan

NALC Fee-for-Service Plan

Postmaster Fee-for-Service Plan

SAMBA Fee-for-Service Plan

TSPBKO8, Summary of the Thrift Savings Plan for Federal Employees

RI-90-3, FERS Transfer Handbook

#### **Large print format**

RI-70-10, The Guide to Federal Employees Health Benefits Plan (for Federal Civilian Employees) for the Visually Impaired

Statement of Earnings and Leave

#### **Braille format**

Doc 9669, Employee Personnel Resource Guide

Doc 10095, Employee Connection Directory of Services

Statement of Earnings and Leave

### Available for all employees:

#### **Videos**

Overview of the Thrift Savings Plan for Federal Employees

TSP video directed to employees with 10 years or less of service and not participating in the TSP

Pre-Retirement Seminar Video for FERS and CSRS

FERS Transfer Handbook Video—a Guide to Making Your Decision

#### **CD-ROMs Benefits and Services**

CSRS Pre-Retirement

FERS Pre-Retirement



## Acronyms Used in This Guide

AD&D—Accidental death and dismemberment	GPO—Government Pension Offset
AFA—Alternative Form of Annuity	GS—General Schedule
AWOL—Absence without leave	HMO—Health Maintenance Organization
AWS—Alternative work schedule	IRA—Individual Retirement Account
BeST—Benefits and Services Team	LEAP—Law Enforcement Availability Pay
BOHCS—Basic Occupational Health Center Services	LTCI—Long Term Care Insurance
COP—Continuation of pay	LWOP—Leave without pay
COLA—Cost-of-living adjustment	MHN—Managed Health Network
CSRS—Civil Service Retirement System	MRA—Minimum retirement age
DOL—Department of Labor	NORD/NC—National Office, Regions, and Districts/National Centers
DSR—Discontinued service retirement	NTEU—National Treasury Employees Union
EAP—Employee Assistance Program	OFEGLI—Office of Federal Employees' Group Life Insurance
EAR—Employee Account Representative	OPM—Office of Personnel Management
ERC—Employee Resource Center	OWCP—Office of Workers' Compensation Programs
FECA—Federal Employees' Compensation Act	PD—Position description
FEDMER—Federal Medical Evidence of Record Program	POS—Point of Service
FEGLI—Federal Employees' Group Life Insurance	RIF—Reduction in force
FEHB—Federal Employees Health Benefits	SSA—Social Security Administration
FEPCA—Federal Employees Part-Time Career Employment Act	TCC—Temporary Continuation of Coverage
FERCCA—Federal Erroneous Retirement Coverage Correction Act	TIGTA—Treasury Inspector General for Tax Administration
FERS—Federal Employees' Retirement System	TPB—Transactional Processing Branch
FFLA—Family Friendly Leave Act	TSP—Thrift Savings Plan
FLSA—Fair Labor Standards Act	WCC—Workers' Compensation Center
FLTCIP—Federal Long Term Care Insurance Program	WEP—Windfall Elimination Provision
FMLA—Family Medical Leave Act	WG—Wage Grade Schedule
FMS—Financial Management Services	WGI—Within-grade increase
FOH—Federal Occupational Health	
FOP—Federal Order of Precedence	
FWS—Federal Wage System	

## Federal Employees' Group Life Insurance (FEGLI) Enrollment Opportunities

Event allowing change	Basic Life Insurance	Option A Standard Life Insurance	Option B Additional Life Insurance	Option C Family Life Insurance
1. Approval of request for insurance (SF-2822) by OFEGLI.	Yes. Coverage effective on first day in pay and duty status after approval. Deductions begin in pay period in which coverage begins. You must be in pay and duty status within 31 days after date of SF-2822 approval.	Yes. Coverage is effective on first day in pay and duty status on or after the date of approval by OFEGLI and the SF-2817 is received by the TPB. Deductions begin with pay period in which coverage begins. You must submit SF-2817 and be in pay and duty status within 31 days after date of approval of SF-2822.	Yes. Coverage effective on first day in pay and duty status on or after date of approval by OFEGLI and SF-2817 is received by the TPB. Deductions begin with the pay period in which coverage begins. You must submit SF-2817 and be in pay and duty status within 31 days after date of approval of SF-2822.	No change permitted for this event.
2. Marriage or divorce, upon the death of a spouse, or upon acquiring an eligible child (foster children count for electing option C but not in electing option B).	No change permitted for this event.	No change permitted for this event.	Yes. You may elect one multiple for each added family member. If you are already enrolled for one or more multiples, you may increase the multiples by one for each added family member. Coverage is effective the first day in pay and duty status on or after the SF-2817 is received by the TPB. SF-2817 must be received by the agency within 60 days after date of event. (Time limit may be extended if event occurs during a period of separation or 60 days before separation.	Employee's who elect or increase Option C due to a life event can elect whatever number of multiples they want up to the maximum of five

## Federal Employees' Group Life Insurance (FEGLI) Enrollment Opportunities, continued

Event allowing change	Basic Life Insurance	Option A Standard Life Insurance	Option B Additional Life Insurance	Option C Family Life Insurance
3. You are reinstated after a break in service of at least 180 days in a position wherein you are not excluded from insurance by law or regulation.	Yes. Coverage is effective on the date you enter on duty in a pay and duty status, if no new waiver is filed. Deductions begin with the pay period in which coverage is effective.	Yes. Coverage is effective on first day in pay and duty status on or after the date of approval by OFEGLI and the SF-2817 is received by the TPB. Deductions begin with pay period in which coverage begins. You must submit SF-2817 and be in pay and duty status within 31 days after date of approval of SF-2822.	Same as Option A, Standard Life Insurance.	Same as Option A, Standard Life Insurance.
4. You return to Federal service after a break in service of at least 180 days to a position wherein you are excluded from insurance by law or regulation.	No. However, if you are later converted to a non-excluded position, the coverage becomes effective on the first day in pay and duty status on or after the date of conversion to such position, unless coverage is waived by you on SF-2817. Deductions begin with the pay period in which coverage is effective.	No. However, if you are later converted to a non-excluded position, the coverage is effective on the first day you are converted to such position, wherein you are in pay and duty status on or after the SF-2817 electing coverage is received by the TPBC. Deductions begin with the pay period in which coverage is effective. You must submit SF-2817 to the TPBC within 31 days after conversion.	Same as Option A, Standard Life Insurance.	Same as Option A, Standard Life Insurance.

## Federal Employees' Group Life Insurance (FEGLI) Enrollment Opportunities, continued

Event allowing change	Basic Life Insurance	Option A Standard Life Insurance	Option B Additional Life Insurance	Option C Family Life Insurance
<p>5A. You initially waive or subsequently cancel your insurance coverage.</p> <p>or</p> <p>5B. You elect to reduce optional coverage.</p>	<p>A. Yes. Coverage and deductions stop on the last day of the pay period in which the TPB receives the SF-2817. You may cancel coverage at any time.</p> <p>B. Not applicable.</p>	<p>A. Same as Basic Life Insurance.</p> <p>B. Not applicable.</p>	<p>A. Same as Basic Life Insurance.</p> <p>B. Yes. You can reduce the number of multiples at any time. Coverage and deductions reduce effective the first day of the first pay period after the TPBC receives your SF-2817.</p>	<p>A. Same as Basic Life Insurance.</p> <p>B. Same as Option B, Additional Life Insurance.</p>
6. Open season.	Yes. Subject to regulations issued for the open season.	Same as Basic Life Insurance.	Same as Basic Life Insurance.	Same as Basic Life Insurance.

## Federal Employees Health Benefits (FEHB) Enrollment Opportunities

Events that permit enrollment or change		Change permitted			Time limits
Code	Event	From not enrolled to enrolled	From Self Only to Self and Family	From one plan or option to another	When you must file health benefits election form with your employing office
1	<b>EMPLOYEE</b>				
1A	Initial opportunity to enroll.	Yes	N/A	N/A	Within 60 days of becoming eligible.
1B	Open season.	Yes	Yes	Yes	As announced by OPM.
1C	Change in family status, for example: marriage, birth or death of family member, adoption, legal separation, or divorce.	Yes	Yes	Yes	From 31 days before through 60 days after event.
1D	Change in employment status, for example: <ul style="list-style-type: none"> <li>• Reemployment after a break in service of more than three days,</li> <li>• Return to pay status following loss of coverage due to expiration of 365 days of LWOP status or termination of coverage during LWOP,</li> <li>• Return to pay sufficient to make withholdings after termination of coverage during a period of insufficient pay,</li> <li>• Restoration to civilian position after serving in uniformed services,</li> <li>• Change from temporary appointment to appointment that entitles employee receipt of government contribution,</li> <li>• Change to or from part-time career employment.</li> </ul>	Yes	Yes	Yes	Within 60 days of employment status change.
1E	Separation from Federal employment when the employee or employee's spouse is pregnant.	Yes	Yes	Yes	Enrollment or change must occur during final pay period of employment.
1F	Transfer from a post of duty within the United States to a post of duty outside the United States, or reverse.	Yes	Yes	Yes	From 31 days before leaving old post through 60 days after arriving at new post.

## Federal Employees Health Benefits (FEHB) Enrollment Opportunities, continued

<i>Events that permit enrollment or change</i>		<i>Change permitted</i>			<i>Time limits</i>
<i>Code</i>	<i>Event</i>	<i>From not enrolled to enrolled</i>	<i>From Self Only to Self and Family</i>	<i>From one plan or option to another</i>	<i>When you must file health benefits election form with your employing office</i>
1G	Employee or eligible family member loses coverage under FEHB or another group insurance plan, for example: <ul style="list-style-type: none"> <li>• Loss of coverage under another FEHB enrollment due to termination, cancellation, or change to Self Only of the covering enrollment,</li> <li>• Loss of coverage under another Federally sponsored health benefits program,</li> <li>• Loss of coverage due to termination of membership in the employee organization sponsoring the FEHB plan,</li> <li>• Loss of coverage under Medicaid or similar state-sponsored program,</li> <li>• Loss of coverage under a non-Federal health plan.</li> </ul>	Yes	Yes	Yes	From 31 days before through 60 days after loss of coverage.
1H	Employee or eligible family member loses coverage due to the discontinuance, in whole or part, of an FEHB plan.	N/A	Yes	Yes	During open season, unless OPM sets a different time.
1I	Loss of coverage under a non-Federal group health plan because an employee moves out of the commuting area to accept another position and the employee's non-Federally employed spouse terminates employment to accompany the employee.	Yes	Yes	Yes	From 31 days before the employee leaves the commuting area through 180 days after arriving in the new commuting area.
1J	Employee or covered family member in a Health Maintenance Organization (HMO) moves or becomes employed outside the geographic area from which the carrier accepts enrollments, or if already outside the area, moves or becomes employed further from this area.	N/A	Yes	Yes	Upon notifying the employing office of the move or change of place of employment.

## Federal Employees Health Benefits (FEHB) Enrollment Opportunities, continued

<i>Events that permit enrollment or change</i>		<i>Change permitted</i>			<i>Time limits</i>
<i>Code</i>	<i>Event</i>	<i>From not enrolled to enrolled</i>	<i>From Self Only to Self and Family</i>	<i>From one plan or option to another</i>	<i>When you must file health benefits election form with your employing office</i>
1K	On becoming eligible for Medicare (this change may be made only once in a lifetime).	N/A	No	Yes	At any time beginning on the 30 <sup>th</sup> day before becoming eligible for Medicare.
1L	Temporary employee completes one year of continuous service in accordance with 5 USC Section 890-6a.	Yes	N/A	N/A	Within 60 days after becoming eligible.
1M	Salary of temporary employee insufficient to make withholdings for plan in which enrolled.	N/A	No	Yes	Within 60 days after receiving notice from employing office.
3	<b>FORMER SPOUSE UNDER THE SPOUSE EQUITY PROVISIONS</b>				
3A	Initial opportunity to enroll. Former spouse must be eligible to enroll under the authority of the Civil Service Retirement Spouse Equity Act of 1984 (P.L. 98-615), as amended; the Intelligence Authorization Act of 1986 (P.L. 99-569); or the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (P.L. 100-204).	Yes	N/A	N/A	Generally, must apply within 60 days after dissolution of marriage. However, if a retiring employee elects to provide a former spouse annuity or insurable interest annuity for the former spouse, the former spouse must apply within 60 days after OPM's notice of eligibility for FEHB. May enroll any time after employing office establishes eligibility.
3B	Open season.	No	Yes*	Yes	As announced by OPM.

\*Former spouse may change to Self and Family only if family members are also eligible family members of the employee or annuitant.

## Federal Employees Health Benefits (FEHB) Enrollment Opportunities, continued

<i>Events that permit enrollment or change</i>		<i>Change permitted</i>			<i>Time limits</i>
<i>Code</i>	<i>Event</i>	<i>From not enrolled to enrolled</i>	<i>From Self Only to Self and Family</i>	<i>From one plan or option to another</i>	<i>When you must file health benefits election form with your employing office</i>
3C	Change in family status based on addition of family members who are also eligible family members of the employee or annuitant.	No	Yes	Yes	From 31 days before through 60 days after change in family status.
3D	Reenrollment of former spouse who canceled FEHB enrollment to enroll in a Medicare-sponsored Coordinated Care Plan (Medicare HMO), Medicaid, or similar state-sponsored program and who later was involuntarily disenrolled from the Medicare HMO, Medicaid, or similar state-sponsored program.	May reenroll	N/A	N/A	From 31 days before through 60 days after disenrollment.
3E	Reenrollment of former spouse who canceled FEHB enrollment to enroll in a Medicare-sponsored Coordinated Care Plan (Medicare HMO), Medicaid, or similar state-sponsored program and who later voluntarily disenrolls from the Medicare-sponsored Coordinated Care Plan (Medicare HMO), or similar state-sponsored program.	May reenroll	N/A	NA	During open season.
3F	Former spouse or eligible child loses FEHB coverage due to termination, cancellation, or change to Self Only of the covering enrollment.	Yes	Yes	Yes	From 31 days before through 60 days after date or loss of coverage.
3G	Enrolled former spouse or eligible child loses coverage under another group insurance plan; for example: <ul style="list-style-type: none"> <li>• Loss of coverage under another Federally sponsored health benefits program,</li> <li>• Loss of coverage due to termination of membership in the employee organization sponsoring the FEHB plan,</li> <li>• Loss of coverage under Medicaid or similar state-sponsored program (but see 3D and 3E),</li> <li>• Loss of coverage under a non-Federal health plan.</li> </ul>	N/A	Yes	Yes	From 31 days before through 60 days after loss of coverage.



## Federal Employees Health Benefits (FEHB) Enrollment Opportunities, continued

<i>Events that permit enrollment or change</i>		<i>Change permitted</i>			<i>Time limits</i>
<i>Code</i>	<i>Event</i>	<i>From not enrolled to enrolled</i>	<i>From Self Only to Self and Family</i>	<i>From one plan or option to another</i>	<i>When you must file health benefits election form with your employing office</i>
3H	Former spouse or eligible family member loses coverage due to the discontinuance, in whole or part, of an FEHB plan.	N/A	Yes	Yes	During open season, unless OPM sets a different time.
3I	Former spouse or covered family member in a Health Maintenance Organization (HMO) moves or becomes employed outside the geographic area from which the carrier accepts enrollments, or if already outside this area, moves or becomes employed further from this area.	N/A	Yes	Yes	Upon notifying the employing office of the move or change of place of employment.
3J	On becoming eligible for Medicare (this change may be made only once in a lifetime).	N/A	No	Yes	At any time beginning on the 30 <sup>th</sup> day before becoming eligible for Medicare.
3K	Former spouse's annuity is insufficient to make FEHB withholdings for plan in which enrolled.	No	No	Yes	Retirement system will advise former spouse of options.
4	<b>TEMPORARY CONTINUATION OF COVERAGE (TCC) FOR ELIGIBLE FORMER EMPLOYEES, FORMER SPOUSES, AND CHILDREN.</b>				
4A	Opportunity to enroll for continued coverage under TCC provisions: <ul style="list-style-type: none"> <li>• Former employee</li> <li>• Former spouse</li> <li>• Child who ceases to qualify as a family member</li> </ul>	Yes Yes Yes	Yes N/A N/A	Yes N/A N/A	Within 60 days after the qualifying event, or receiving notice of eligibility, whichever is later.
4B	Open season: <ul style="list-style-type: none"> <li>• Former employee</li> <li>• Former spouse</li> <li>• Child who ceases to qualify as a family member</li> </ul>	No No No	Yes Yes* Yes	Yes Yes Yes	As announced by OPM.
4C	Change in family status (except former spouse): for example, marriage, birth or death of family member, adoption, legal separation, or divorce.	No	Yes	Yes	From 31 days before through 60 days after event.

\*Former spouse may change to Self and Family only if family members are also eligible family members of the employee or annuitant.

## Federal Employees Health Benefits (FEHB) Enrollment Opportunities, continued

<i>Events that permit enrollment or change</i>		<i>Change permitted</i>			<i>Time limits</i>
<i>Code</i>	<i>Event</i>	<i>From not enrolled to enrolled</i>	<i>From Self Only to Self and Family</i>	<i>From one plan or option to another</i>	<i>When you must file health benefits election form with your employing office</i>
4D	Change in family status of former spouse, based on addition of family members who are eligible family members of the employee or annuitant.	No	Yes	Yes	From 31 days before through 60 days after event.
4E	Reenrollment of a former employee, former spouse, or child whose TCC enrollment was terminated because of other FEHB coverage and who loses the other FEHB coverage before the TCC period of eligibility (18 or 36 months) expires.	May Reenroll	N/A	N/A	From 31 days before through 60 days after the event. Enrollment is retroactive to the date of the loss of the other FEHB coverage.
4F	Enrollee or eligible family member loses coverage under FEHB or another group insurance plan: for example, <ul style="list-style-type: none"> <li>• Loss of coverage under another FEHB enrollment due to termination, cancellation, or change to Self Only of the covering enrollment (but see event 4E),</li> <li>• Loss of coverage under another Federally sponsored health benefits program,</li> <li>• Loss of coverage due to termination of membership in the employee organization sponsoring the FEHB plan,</li> <li>• Loss of coverage under Medicaid or similar state-sponsored program,</li> <li>• Loss of coverage under a non-Federal health plan.</li> </ul>	No	Yes	Yes	From 31 days before through 60 days after loss of coverage.
4G	Enrollee or eligible family members loses coverage due to the discontinuance, in whole or part, of an FEHB plan.	N/A	Yes	Yes	During open season, unless OPM sets a different time.
4H	Enrollee or covered family member in a Health Maintenance Organization (HMO) moves or becomes employed outside the geographic area from which the carrier accepts enrollments, or if already outside this area, moves or becomes employed further from this area.	N/A	Yes	Yes	Upon notifying the employing office of the move or change of place of employment.
4I	On becoming eligible for Medicare (this change may be made only once in a lifetime).	N/A	No	Yes	At any time beginning on the 30 <sup>th</sup> day before becoming eligible for Medicare.

## Certification Form for Foster Children for FEGLI/FEHB Coverage\*

I have been informed of the following requirements for coverage of a foster child under Option C of the Federal Employees' Group Life Insurance (FEGLI) program and/or the Federal Employees Health Benefits (FEHB) program.

- The child must be unmarried and under the age of 22. If the child is over age 22, he/she can only be covered if he/she is incapable of self-support because of a disabling condition that began before age 22. I must provide documentation of this to my employing office.
- The child must be living with me.
- The parent-child relationship must be with me, not with the biological parent. This means that I am exercising parental authority, responsibility, and control; I am caring for, supporting, disciplining, and guiding the child; I am making the decisions about the child's education and health care.
- I must be the primary source of financial support for the child.
- I must expect to raise the child to adulthood.

I understand that if the child moves out of my home to live with a biological parent, he/she loses coverage and cannot ever again be covered as a foster child unless the biological parent dies, is imprisoned, or becomes incapable of caring for the child due to a disability, or unless I obtain a court order taking parental responsibility away from the biological parent.

This is to certify that: \_\_\_\_\_ (name and date of birth of child) lives with me; I have a regular parent-child relationship with \_\_\_\_\_ (name of child), as described above; I am the primary source of financial support for \_\_\_\_\_ (name of child); and I intend to raise \_\_\_\_\_ (name of child) into adulthood.

I will immediately notify my employing office (and the health benefits carrier, if the child is covered under FEHB) if the child marries, moves out of my home, or ceases to be financially dependent on me.

\_\_\_\_\_  
Print name of employee/annuitant

\_\_\_\_\_  
Employee/annuitant's Social Security Number

\_\_\_\_\_  
Telephone Number with area code

\_\_\_\_\_  
Signature of employee/annuitant

\_\_\_\_\_  
Date

\*You will need to send this completed form to your servicing Benefits and Services Team (BeST). The address is in this *Guide's Appendix*.

## Statement of Child Incapable of Self-Support

Employees must submit a physician's certification or letter verifying the child's disability. The certificate or letter must:

- State that the child is incapable of self-support because of a physical or mental disability that existed before the child became 22 years of age and that the condition can be expected to continue for more than one year,
- Include the name of the child, the nature of the disability, the period of time it has existed, and its probable future course and duration, and
- Be signed by the physician and show the physician's complete office address.

☛ These certificates or letters must be renewed on the expiration of the minimum period of disability certified. For example, in a certificate or letter dated July 8, 1999, a physician states that a child will be disabled for at least three years. The certificate or letter must be renewed on or before July 8, 2002.

This is a list of medical conditions that would cause children to be incapable of self-support during adulthood:

- AIDS—Center for Disease Control classes A3, B3, C1, C2, and C3 (not seropositivity alone),
- Advanced Muscular Dystrophy
- Any malignancy with metastases or which is untreatable,
- Chronic Hepatic Failure
- Chronic neurological disease, whatever the reason, with severe mental retardation or neurologic impairment, for example:
  - Cerebral Palsy
  - Ectodermal Dysplasia
  - Encephalopathies
  - Uncontrollable Seizure Disorder
- Chronic Renal Failure
- Inborn errors of metabolism with complications such as:
  - Phenylketonuria
  - Homocysteinuria
  - Primary hyperoxaluria
  - Adrenoleukodystrophy
  - Tay-Sachs disease
  - Neiman-Pick disease
  - Gaucher disease
  - Glycogen storage diseases
  - Mucopolysaccharide disease
  - Lesch-Nyhan disease
- Xeroderma pigmentosa
- Severe acquired or congenital heart disease with decompensation that is not correctable
- Severe mental illness requiring prolonged or repeated hospitalization
- Severe juvenile rheumatoid arthritis
- Osteogenesis imperfecta
- Severe autism
- Severe organic mental disorder
- Mental retardation with IQ of 70 or less

## Index

Administratively uncontrollable overtime	10	Debts	13
Annual leave	17, 95, 106, 133	Desk audit	46
Annuitant, reemployed (see <i>Reemployment After Retirement</i> )	147	Designating Beneficiaries	87
Annuities		Employee Assistance Program	39
After reemployment	148	Employee Connection	2
During Reemployment	147	Material available from	166, 167, 168, 169
Alternative Form of Annuity (AFA)	120, 131	Employee Express	4
CSRS	111	Employee Incentive Programs	53
CSRS-Offset	122	Awards	53
FERS	123	Employee Suggestion Program	53
Redetermined	148	Employee Resource Center	1
Reduced	121, 131	Employee Services	39
Supplement	130	Family Source	40
Supplemental	148	Employee Assistance Program	39
Survivor	155	Financial Connect	41
Thrift Savings Plan	80	Health Services	43
		Legal Connect	41
Beneficiaries, designating	87	Employee Suggestion Program	53
BeST (Benefits and Services Team) mailing addresses	163	Employee Tools	1
Buyouts	105	Automated systems	1
		ERC	1
Civil Service Retirement System	111	Official personnel folder	7
Alternative Form of Annuity (AFA)	120	Personal Benefits Statement	7
Annuity	118, 120	Statement of Earnings and Leave	8
Benefits after retirement	133	Evaluations (performance management)	46
Contributions to	111	Excused absence	22, 40
Deposit/redeposit service	121		
Military deposits	112-113	Family leave	25
Part-time Services	116-118	Family Source	40
Reduced annuity	121	Federal Employees Health Benefits (FEHB) program (see <i>Health insurance</i> )	64
Retirement options	114	Federal Employees' Group Life Insurance (FGLI) (see <i>Life insurance</i> )	55
Provisions for law enforcement officers	118	Federal Employees' Retirement System (FERS)	123
Voluntary contributions	119	Alternative Form of Annuity (AFA)	120, 131
Civil Service Retirement System (CSRS) Offset	122	Annuity	129
Annuity	123	Annuity supplement	130
Contributions to	122	Benefits after retirement from	133
Compensatory time	11	Contributions to	123
Continuation of pay (COP)	100	Eligibility for retirement (chart)	132
Court leave	24	Military deposits	125
Court orders		Reduced annuity	131
Health insurance	67	Retirement options	126
Life insurance	58	Provisions for law enforcement officers	128
Retirement annuities	120, 130	Transfer to	131, 153
Retirement contributions	109		
Death in Service	155		

Federal Order of Precedence .....	88
Financial Connect .....	41
Flexiplace .....	37
Full-time work .....	31
Government Pension Offset (GPO) .....	85
Health insurance (Federal Employees Health Benefits (FEHB) program) .....	64
Cost .....	64
Court orders .....	67
Coverage in retirement .....	133
Coverage in nonpay/insufficient pay status .....	68, 93
Death in service .....	157
Dual enrollment .....	68
Eligibility .....	64
Enrollment .....	64
Enrollment opportunities (chart) .....	174
How to enroll/change enrollment .....	65, 68
Leaving the IRS .....	105
Losing coverage .....	69, 107
Open season .....	65
Reemployed annuitants .....	150
Statement of Child Incapable of Self Support .....	67, 181
Statement of Foster Child Status .....	67, 180
Temporary Continuation of Coverage (TCC) .....	69, 107, 137
Types of plans .....	64
Health services .....	43
Holiday pay .....	11, 35
Holidays .....	28
Insurance .....	55
Health insurance (FEHB) .....	64
Life insurance (FEGLI) .....	55
Intermittent work .....	32
Job sharing .....	33
Leave .....	17
Annual .....	17
Bank .....	26
Court .....	24
Excused absence .....	22, 40
Family .....	25
Holidays .....	28
Military .....	24
Nonpay status, earning leave while on .....	95
Sick .....	18

Tardiness .....	28
Transfer Program .....	27
Without pay (LWOP) .....	21
Leaving the IRS .....	105
How certain benefits are treated .....	106
Schedule of separation actions .....	105
Unusual cases of leaving the Service .....	105
Legal Connect .....	41
Length of service credit .....	
For part-time work .....	35
Nonpay status .....	95
Life Events and Your Benefits (chart) .....	164
Life insurance (Federal Employees' Group Life Insurance (FEGLI)) .....	55
Assignment .....	58
At-a-glance information on the FEGLI (chart) .....	62
Conversion .....	60
Cost .....	57
Court orders .....	58
Coverage in nonpay status .....	60, 94
Coverage in retirement .....	138
Death in service .....	157
Effective date of coverage .....	58
Eligibility .....	55
Enrollment opportunities (chart) .....	171
How to enroll .....	58
Leaving the IRS .....	108
Living Benefits .....	59
Losing coverage .....	60
Reemployed annuitants (chart) .....	152
Statement of Child Incapable of Self-Support .....	57, 181
Statement of Foster Child Status .....	57, 180
Types of coverage .....	55
Military leave .....	24
National Treasury Employees Union (NTEU) Member Benefits .....	159
Night differential .....	10
Nonpay Status .....	93
Health insurance coverage .....	93
Leave accrual .....	95
Length of service credit .....	95
Life insurance coverage .....	94
Payroll deductions .....	96
Retirement contributions .....	95
Thrift Savings Plan contributions .....	96
Occupational illness/disease .....	97

Official personnel folder .....	7	Statement of Earnings and Leave .....	8
Overtime .....	10, 34	Sunday premium pay .....	11
Part-time work .....	33	Tardiness .....	28
How Part-time Service Can Affect My Annuity .....	116	ThriftLine .....	5
Pay .....	9	Thrift Savings Plan (TSP) .....	73
Debts .....	15	Annuities .....	80
Payroll debts .....	13	Example of investing in .....	81
Salary .....	9	How it works .....	73
Severance .....	13	How much you can contribute .....	74
Payroll debts .....	13	How your account balance is paid if you die .....	81, 158
Performance Management .....	46	In-service withdrawals .....	77
Personal Benefits Statement .....	7	Interfund transfers .....	76
<i>Planning for Your Financial Future</i> .....	73	Loan program .....	77
Savings bonds .....	86	Nonpay status, contributions during .....	96
Social Security .....	83	Reemployed annuitants .....	153
Thrift Savings Plan .....	73	What you can do with your account .....	76
Position classification .....	45	When you can cancel .....	76
Position description .....	45	When you can join .....	75
Reduction in force (RIF) .....	105	Withdrawal options .....	76
Removal from service .....	105	TPC (Transactional Processing Center) mailing addresses .....	163
<i>Reemployment After Retirement</i> .....	147	Traumatic injury .....	97
<i>Retirement</i> .....	111	Unemployment compensation .....	108
Civil Service Retirement System (CSRS) .....	111	Unpaid compensation .....	87, 155
Civil Service Retirement System (CSRS) Offset .....	122	Use or lose leave .....	17
Federal Employees' Retirement System (FERS) .....	123	Windfall Elimination Provision (WEP) .....	85, 123
How certain benefits are treated .....	133	Within-grade increase .....	12, 22, 95
Retirement checklist .....	143	Work Number for Everyone .....	6
Retirement contributions .....		<i>Work Schedules</i> .....	31
Death in service .....	155	Flexiplace .....	37
Nonpay status .....	95	Full time .....	31
Refund of .....	109	Intermittent .....	32
Salary .....	9	Job sharing .....	33
Savings bonds .....	86	Part time .....	33
Schedule award .....	101	Seasonal .....	32
Seasonals .....	32	<i>Workers' Compensation Program</i> .....	97
Separation ( <i>see Leaving the IRS</i> ) .....	105	<i>Your Position</i> .....	45
Severance pay .....	13	How you are evaluated (performance management) .....	46
Shift differential .....	10	How your position is classified .....	45
Sick leave .....	18, 133, 150		
Recredit .....	20		
Unused .....	107		
Social Security .....	83, 123, 156		
Government Pension Offset (GPO) .....	85		
Windfall Elimination Provision (WEP) .....	85, 123		



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