

Benefits - Non Pay Status/ LWOP

The following chart does not apply to employees:

- on LWOP due to receipt of Workers Compensation or
- on LWOP for active military duty.

TYPE OF BENEFIT	EFFECT OF LWOP OR NON PAY STATUS ON BENEFITS	
Accrual of annual and sick leave	No leave is earned in any pay period during the leave year that the total hours in non pay status equals 80 or a multiple of 80 hours.	
Retirement coverage	Coverage continues at no cost to the employee for non pay time.	
Health Insurance	FEHB enrollment continues for up to 365 days in non pay status. The Government contribution continues while employee is in non pay status, and the Government advances the employee share of FEHB to the health plan. The employee must respond to the FEHB options memo regarding repayment of the FEHB premiums. Previous periods of non pay status count toward the 365 days if the employee does not return to duty for at least 4 consecutive months.	
Life Insurance	Coverage continues for 12 consecutive months in a non pay status without cost to the employee or to the agency. Previous time in non pay status counts toward the 12 months if the employee does not return to duty for at least 4 consecutive months.	
Thrift Savings Plan	Employees should refer to the TSP Fact Sheet - Effect of Non Pay Status on TSP Participation http://www.tsp.gov/forms/oc95-4w.pdf (PDF; 80Kb).	
Flexible Spending Account	Employees should refer to the FSA Quick Reference Guide on Leave Without Pay , at https://www.fsafeds.com/forms/qrglwop.pdf (PDF; 51Kb).	
Federal Dental and Vision Insurance	When a deduction is missed, the premiums may be double deducted until caught up, or the employee may be directly billed by BENEFEDS. Unpaid direct bills may result in termination of coverage. Contact BENEFEDS at 1-877-888-FEDS (1-877-888-3337) or email Service@BENEFEDS.com for premium payment questions.	
Long Term Care Insurance	If you pay for Federal Long Term Care Insurance through payroll deductions, you must pay your premiums directly and timely while in non pay status, or your coverage will be cancelled. Call the Customer Service Center at LTC Partners at 1-800-LTC-FEDS (1-800-582-3337) (TTY 1-800-843-3557) to make alternative payment arrangements.	
Within-grade increase for General Schedule	Waiting Period for Step:	Non Pay Time Allowed:
	2 - 3 - 4	2 work weeks (80 hours for full time employee)
	5 - 6 - 7	4 work weeks (160 hours for full time employee)
	8 - 9 - 10	6 work weeks (240 hours for full time employee)
Within-grade increase for Federal Wage System	Waiting Period for Step:	Non Pay Time Allowed:
	2	1 work week (40 hours for full time employee)
	3	3 work weeks (120 hours for full time employee)
	4 - 5	4 work weeks (160 hours for full time employee)
Time-in-grade Requirements	Any non pay status is creditable service.	
Completion of Career Tenure	The first 30 calendar days of non pay for each period of absence is creditable.	
Completion of Probation	A total of 22 work days in non pay status is creditable service.	

FEHB Options

Each pay period an employee is enrolled in the Federal Employees Health Benefits (FEHB) program, they are responsible for payment of the premium. When an employee enters nonpay status, or their pay is insufficient to cover the premium, the following actions must take place must:

- * Termination the enrollment; or
- * Continuation of the enrollment and agreement to pay the premium or incur a debt.

TERMINATING THE ENROLLMENT

If the employee elects to terminate FEHB enrollment (or the enrollment terminates), the termination will take effect at the end of the last pay period in which premiums were withheld from pay. FEHB coverage will continue at no cost to you for an additional 31 days. During the 31 days, the employee and covered family members may convert to an individual nongroup contract with the insurance carrier. The termination is not considered a break in the continuous coverage necessary for continuing FEHB coverage into retirement. However, the period during which the termination is in effect does not count toward satisfying the required 5 years of continuous coverage. When the employee returns to pay and duty status, or at the end of the first pay period their pay becomes sufficient to cover their premium, they must reenroll within 60 days if they want FEHB coverage.

CONTINUING THE ENROLLMENT AND AGREEING TO PAY THE PREMIUM

An employee's FEHB coverage will continue for up to 365 days while in a nonpay status. Previous periods of nonpay status count toward the 365 days if they do not return to duty for at least 4 consecutive months.

If the employee elects to continue coverage, he/she must elect to:

- * incur a debt in the amount of the unpaid premiums; or
- * pay premiums directly.

PREMIUM CONVERSION (Pretax withholding of your FEHB premium)

Before the employee makes the payment decision, you should understand that premium conversion is a tax benefit, and you are automatically covered by it unless you waive it. When you are in a pay status, it allows your FEHB premium to be made on a pretax basis, which means that the premium is not subject to Federal income, Medicare, or Social Security taxes. This reduces your taxable income, so less tax is withheld, and your paycheck will be larger. Nonpay status is a qualifying life event which allows you to change your premium conversion election within 60 days of the effective date of the nonpay status or return to duty action. If you wish to change your coverage under premium conversion (pretax withholding), either to waive it, or to elect it if you waived it previously, contact your servicing Benefits Assistant or Specialist for a premium conversion waiver/election form.

INCUR A DEBT. Under the incur a debt option, you agree that you will continue your FEHB coverage while in nonpay status, your agency will advance your share of the FEHB premiums to your health plan during your nonpay period, and you will repay your share to your agency when you return to pay status. Your repayment will be treated on a pretax basis, if it's deducted from your pay and you participate in premium conversion.

If you elect this option, or if you elect to pay directly but fail to pay the entire amount due, you will receive a bill from the Defense Financial Accounting System (DFAS) stating the total amount due. The notice will be sent when you: return to pay status, your pay becomes sufficient, you separate from employment, or you have been in nonpay status for 365 days.

By electing to continue coverage, you agree that the amount due will be withheld from your salary by deducting the regular premium and an additional premium per pay period until the debt is paid. If the amount due cannot be withheld from salary, it will be recovered from a lump sum payment of accrued leave, income tax refunds, amounts payable under the Civil Service Retirement System or Federal Employees Retirement System, or any other source normally available for the recovery of a debt due the United States. If by the third pay period after your pay has become sufficient to cover the premium(s) you have not paid the entire amount, DFAS will begin collection by administrative offset.

DIRECT PAY. Under the direct pay option, you may pay your FEHB premium on the same schedule as the payments would be made if you were not in nonpay status. The payments you make under the direct pay option are not subject to premium conversion and are made on an after-tax-basis. Therefore, under the direct pay option, you are not reducing your taxable income.