



Effect of Leave Without Pay (LWOP) on Employee Benefits While Receiving Workers' Compensation June 24, 2015

If you are an employee of the National Aeronautics and Space Administration (NASA) and are receiving benefits from the Office of Workers' Compensation Programs (OWCP), your employee benefits may be affected by your Leave Without Pay (LWOP) status. The NASA Shared Services Center (NSSC) highly encourages all employees who are on LWOP and receiving OWCP benefits to review all the information provided to ensure you understand the potential impact to all your employee benefits.

Please click on any of the following links to access the desired topic:

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Federal Employees Health Benefits (FEHB) Program

- **If you are not currently enrolled**, you are eligible to enroll in FEHB during the annual Federal Benefits Open Season.
- **If you are currently enrolled**, your enrollment may continue for the first 365 days while in an LWOP status. After this initial period, the OWCP must determine that you are unable to return to duty, and you must meet the same participation requirements to continue an enrollment after retirement.
- **Payment of Premiums**
 - **If any part of your salary is paid by NASA**, the employee share of your premiums will be withheld from your biweekly paycheck.
 - **If LWOP status is expected to last fewer than 6 weeks**, NASA will continue FEHB premium contributions and will advance from your salary the employee share. You may choose to either pay NASA directly each pay period or have the debt for the premiums accumulate and withheld from your pay upon your return to duty.
 - **If LWOP status is expected to last 6 weeks or longer**, your health benefits will be transferred to OWCP. FEHB premiums will be withheld from your OWCP payment.
- **If you die while receiving OWCP benefits**, your enrollment may continue for surviving family members if you were enrolled in Self and Family at time of your death and at least one covered family member receives compensation as a surviving beneficiary under the Federal Employees' Compensation Act (FECA), Civil Service Retirement System (CSRS), or Federal Employees Retirement System (FERS).

Federal Flexible Spending Account (FSAFEDS)

- **Your Flexible Spending Account (FSA) will be frozen.** You will not be eligible for reimbursement of any health care expenses incurred during the period of LWOP until you return to a pay status and your allotments are successfully restarted.
- **If you have a Dependent Care FSA (DCFSA)**, eligible dependent care expenses incurred during LWOP may be reimbursed up to your account balance.
- **If you return to pay status**, FSAFEDS will recalculate your allotments based on the number of pay dates remaining in the Benefit Period.
- **If you do not return to pay status by the end of the Benefit Period**, the funds in your account will be forfeited with no opportunity for refund.

Health Savings Account (HSA)

The portion of your premium that your health plan passes through to your HSA will continue to be credited to your HSA. You are still eligible to make personal contributions to your HSA up to the annual Internal Revenue Service (IRS) maximum amount. If you currently have HSA contributions

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being withheld from your paycheck and would like to continue contributing, you will need to contact your health plan provider for additional information on how to make payments directly.

Federal Employees Dental and Vision Insurance Program (FEDVIP)

- **If you are currently enrolled,** your coverage will automatically continue. You must make payment arrangements with BENEFEDS prior to going into an LWOP status. You may do so by calling 1-877-888-3337 (1-877-888-FEDS), TTY 1-877-889-5680. You will need to pay premiums directly to BENEFEDS during this time to keep your coverage active.
- **If you are not already enrolled,** you will be eligible to enroll during the annual Federal Benefits Open Season.

Federal Employees' Group Life Insurance (FEGLI) Program

- **Eligibility to Maintain Coverage During Your First 12 Months in an LWOP Status:** While you are receiving OWCP benefits, you remain covered as an employee. You must still pay the employee share of the premiums. Premiums will be withheld from your OWCP benefit payments.
- **Eligibility to Maintain Coverage After Your First 12 Months in an LWOP Status:** When you have been in an LWOP status for 12 months, your FEGLI coverage as an employee ends. If you are eligible to continue FEGLI coverage, the NSSC will notify OWCP of the new premium withholdings. You are eligible to continue your life insurance beyond this initial 12-month period if you meet all of the following requirements:
 - On the day you end 12 months of LWOP status, you are still receiving compensation payments;
 - OWCP has determined that you are unable to return to duty;
 - You have been insured for the 5 years of service immediately before the date compensation starts or for the full period(s) of service during which you were eligible to be insured if less than 5 years; and
 - You have not converted your life insurance coverage to an individual policy. If you have already converted the coverage before it is determined you are eligible to continue your coverage, you must void the conversion policy. To void the conversion policy, contact the insurance company. That company will send you a refund of any premiums you have already paid for the conversion policy.

Note: The year of continued coverage while in nonpayment status cannot be counted toward meeting the 5-year requirement. You must meet the 5-year/all opportunity requirement as of the date compensation begins.

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- **If You are Eligible to Continue Coverage After Your First 12 Months in an LWOP Status:** The NSSC will provide you with Standard Form (SF) 2818, Continuation of Life Insurance Coverage. You will be required to complete this form and return it directly to the NSSC. If you elect to continue your life insurance policy, it will be transferred to the Office of Personnel Management (OPM).
- **If You are Not Eligible to Continue Coverage After Your First 12 Months in an LWOP Status:** The NSSC will send you correspondence notifying you that you are no longer eligible for FEGLI. You will be provided with an extension of 31 days coverage, and you will be notified that you have the option to convert your life insurance policy to an individual plan with an SF 2819, Notice of Conversion Privilege.
- **If OWCP Benefits End and You Do Not Return to Pay Status:** Your coverage continues for 365 days after the date OWCP compensation is terminated.

NASA Employees Benefit Association (NEBA)

Insurance through NEBA is handled by MetLife. You will need to contact MetLife directly for information on your NEBA coverage during a period of LWOP due to a work-related injury.

- For Basic Life Insurance, call 1-866-492-6983.
- For Optional Coverage (Group Variable Universal Life), call 1-800-756-0124.
- For Voluntary Benefits, call 1-800-438-6388.

Federal Long Term Care Insurance Program (FLTCIP)

- **If you are currently enrolled,** LWOP will not affect your FLTCIP coverage. Your coverage will remain in effect as long as you continue to pay premiums. If you pay your premiums through payroll deduction, you will need to contact Long Term Care Partners at 1-800-582-3337 (1-800-LTCFEDS) to make other billing arrangements, or you may complete the [Billing Change Form](#) which can be found on the FLTCIP Web site at <http://www.ltcfeds.com/>.
- **If you are not currently enrolled,** you and your eligible family members can still apply for coverage. You must pass a medical screening. Certain medical conditions or combinations of conditions will prevent some people from being approved for coverage.

Thrift Savings Plan (TSP)

- **TSP Contributions:** You are not eligible to contribute to TSP while in an LWOP status receiving OWCP. In addition, NASA will not contribute any funds to TSP on your behalf. Your contributions can resume when you return to work. Missed contributions while on LWOP cannot be deposited into a TSP account.
- **If you have an Outstanding TSP Loan:** If you are receiving OWCP benefits, you are eligible to suspend your loan payments for up to 1 year. Interest on your loans will continue to accrue while you are in an LWOP status and in receipt of OWCP benefits. For this

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reason, many TSP participants continue to make loan payments while on LWOP. If your loan suspension period ends and you are still in an LWOP status, you **must** make loan payments or a taxable distribution will be declared. You must notify TSP when you enter an LWOP status and when you return to duty so that you do not default on your loan.

Leave Accrual

- **If you are on LWOP for an entire pay period**, no annual or sick leave will accumulate.
- **If you are on LWOP during part of one or more pay periods**, you will continue to earn leave until the LWOP totals 80 hours, then leave will be reduced by the total amount accrued in one pay period.

Within-grade Increases (WGs) and Length of Service

All time spent in an LWOP status is creditable toward completion of waiting periods upon your return to duty.

Social Security

You may receive Social Security payments and OWCP benefits at the same time while in an LWOP status. However, payments are subject to income limitations imposed by the Social Security Administration. OWCP will offset any Social Security old age or death benefits which are attributable to your Federal service and paid to you or your survivors.

Other Federal Income

- You may receive military retired pay, retirement pay, retainer pay or equivalent pay for service in the armed forces or other uniformed services concurrently with OWCP benefits. The appropriate Military Finance Center should be contacted for advice as to whether retired or retainer pay will be reduced because you are receiving OWCP benefits.
- You may receive severance or separation pay at the same time that you receive compensation for a scheduled award or for loss of wage-earning capacity, but not with compensation for temporary total disability.
- You may receive unemployment compensation benefits at the same time that you receive OWCP benefits.

Retirement

- **If you return to work**, you will receive full credit for this period in the computation of your length of service and "high-3" average salary.
- **If you are covered by the Federal Employees Retirement System (FERS)**, you will receive an enhanced annuity if the sum of your LWOP based on OWCP totals 2 months or more. The enhanced benefit is computed by multiplying the number of years and full months of LWOP by 1 percent. You may find additional information and examples on how

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to compute the enhanced annuity under FERS in [Benefits Administration Letter \(BAL\) 04-105, Enhanced Annuity for Certain Federal Employees' Retirement System \(FERS\) Receiving Compensation from the Office of Workers' Compensation Programs \(OWCP\)](#). There is no similar provision for Civil Service Retirement System (CSRS) employees.

- **If you are receiving a non-scheduled award and apply for retirement**, you will be required to elect either your monthly annuity or OWCP benefits. Receipt of compensation under both programs is prohibited.
- **If you are receiving a scheduled award and apply for retirement**, OWCP benefits can be paid concurrently with your monthly annuity.
- **You may want to consider applying for a Disability Retirement.** For additional information, contact your Retirement Counselor at the NSSC.

Voluntary Separation Incentive Payment (VSIP)

- **If you are still on NASA's rolls**, you may receive a VSIP. However, payments received from OWCP benefits will be suspended until the compensation amount equals the amount of the VSIP.
- **If you are in receipt of OWCP benefits but have been separated from NASA's rolls**, you are not eligible to receive a VSIP.
- **If you apply for a Disability Retirement**, you are not eligible to receive a VSIP.

If you have any questions concerning this document, please contact:
NSSC Customer Contact Center
1-877-677-2123 (1-877-NSSC123) or nssc-contactcenter@nasa.gov