

**For:** FAS, RMA, and FSA Employees

**Update on Payment of Federal Employees Health Benefits (FEHB)  
Premiums for Reservists Called to Active Duty**

**Approved by:** Deputy Administrator, Management



**1 Overview**

**A Background**

To assist Reserve component members in maintaining affordable healthcare options, OPM and DOD established a policy that encouraged Federal agencies to pay the employee's share and the Government's share of FEHB premiums for any covered employee who is called to active duty in support of a contingency operation.

In response, in February 2003, USDA decided to support the premium waiver initiative for its eligible employees serving in Operation Enduring Freedom.

**B Purpose**

This notice:

- announces that USDA has expanded its support of the premium waiver initiative to include the following eligible operations:
  - Operation Enduring Freedom
  - Operation Noble Eagle
  - Operation Iraqi Freedom
  - any other military operations subsequently established under Executive Order 13223 of September 14, 2001

<p><b>Disposal Date</b></p> <p>January 1, 2005</p>	<p><b>Distribution</b></p> <p>All FAS, RMA, and FSA employees; State Offices relay to County Offices</p>
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### 1 Overview (Continued)

#### B Purpose (Continued)

- establishes policy and guidance for the waiver of employee share of FEHB premiums for reservists called to active duty
- provides processing procedures.

#### C Definition of Active Duty

Active duty for FEHB waiver benefit is defined as any reservist called to active duty under a contingency operation order in support of an eligible operation as listed in subparagraph B. This includes national guardsmen called to active duty under 10 U.S.C. and 32 U.S.C.

This definition should **not** be used for any purpose other than FEHB waiver benefits.

The definition of active duty for service credit and all other benefits as annual leave and military leave remains unchanged.

#### D Contact

For further information about this notice, contact either of the following:

- Susan Brown at 202-418-9039
- Darla Hensley at 202-418-9021.

### 2 Eligibility

#### A Eligible Employees

The following criteria must be met to be eligible for the waiver program:

- Federal and County Office employees enrolled in FEHB who retain coverage while performing active military duty and elect to incur a debt
- a member of 1 of the following Reserve components of the U.S. Armed Forces:
  - Army National Guard
  - Army Reserve
  - Navy Reserve
  - Marine Corps Reserve
  - Air National Guard
  - Air Force Reserve
  - Coast Guard Reserve

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### 2 Eligibility (Continued)

#### A Eligible Employees (Continued)

- ordered to active duty (voluntarily or involuntarily) for more than 30 calendar days in support of an eligible operation

**Note:** Active duty by the National Guard may be under 10 U.S.C. or 32 U.S.C.

- placed on leave without pay (LWOP) to perform active duty.

#### B Ineligible Employees

Employees who resign to enter active duty are **not** eligible for the waiver program.

#### C Reimbursement for Prior Active Duty

Employees who meet the criteria in subparagraph A may be entitled to a refund if they have served active duty in an eligible operation. If an employee meets the criteria in subparagraph A and paid FEHB premiums either during active duty or upon returning, contact the Servicing Personnel Office (SPO) for entitlement and refund application procedures.

### 3 Waiver of FEHB Premiums Program

#### A Waiver of Premiums

FFAS, according to Departmental guidance, will participate in the waiver of FEHB premiums for eligible employees. Premiums will be waived up to 18 months while in LWOP status, the maximum amount currently permitted by law.

#### B Beginning of 18-Month LWOP Period

The 18-month period begins with the effective date of the order. Whether the employee is:

- reporting to training
- using paid leave
- placed on LWOP to perform active military duty.

**Note:** The use of paid leave, either before LWOP or intermittently throughout, does **not** extend the 18-month period of eligibility for the waiver program.

### 3 Waiver of FEHB Premiums Program (Continued)

#### C FEHB Coverage After 18 Months

At the end of 18 months, FEHB coverage terminates. Employees get a 31-calender-day extension of coverage during which they can convert to a nongroup policy.

Employees are **not** eligible for Temporary Continuation of Coverage.

#### D Tax Consequences to This Benefit

There are **no** tax consequences.

Employees who were enrolled in FEHB-Premium Conversion will **no** longer get the pre-tax credit on the premiums.

#### E 4-Month Rule

The 4-month rule does **not** apply to this program. Employees do **not** have to be in 4-month pay status to begin a new 18-month period.

**Example:** An eligible employee may serve on active duty for 14 months, exercise restoration rights, return to civilian duty for 2 weeks, later return to active duty and continue FEHB for an additional 18 months.

#### F If Employee Dies While on Active Duty

The employee's share of the FEHB premiums will be paid through the date of death.

### 4 Responsibilities

#### A Employee Responsibilities

The employee must:

- provide a copy of written orders for proof of qualifying service to active duty in support of an eligible operation

**Note:** Employee must provide the name of the Commanding Officer to SPO, if needed.

- submit SF-52 requesting LWOP for active military duty to SPO
- elect to retain FEHB while serving on active duty by incurring a debt

**4 Responsibilities (Continued)**

**A Employee Responsibilities (Continued)**

- ensure that SPO receives any changes or extensions of military orders
- notify SPO immediately upon return to civilian service by submitting a return-to-duty SF-52 and discharge papers
- submit FEHB premium bill to SPO immediately upon receipt.

**Note:** A bill may be generated for premiums when returned to pay status. SPO will waive the bill for up to 18 months of active military duty.

**B SPO Responsibilities**

Each SPO shall:

- notify employees about the benefit and the eligibility requirements
- determine whether employees are eligible as outlined in subparagraph 2 A

**Note:** SPO must contact the Commanding Officer if questions about the order are in support of an eligible operation. The employee must provide the name of the Commanding Officer.

- give eligible employees the opportunity to elect to retain FEHB and incur a debt
- process LWOP and return-to-duty actions.

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### 5 SPO Processing Instructions

#### A Instructions

NFC will debit the agency for FEHB premiums, pay carrier, and **not** adjust LWOP counters, regardless of whether a T&A is submitted for an employee.

SPO shall follow the guidelines in this table to process an active duty **LWOP** action for employees serving in eligible operations.

Step	Action
1	Receive the following: <ul style="list-style-type: none"><li>• SF-52 requesting LWOP for active duty</li><li>• certification from employee of being called to active duty for more than 30 calendar days to serve in an eligible operation.</li></ul> <p><b>Note:</b> Active duty by the National Guard may be under 10 U.S.C. or 32 U.S.C.</p>
2	Give employee option to retain FEHB and incur a debt. <p><b>Note:</b> If employee does <b>not</b> elect to incur a debt, employee is <b>not</b> eligible for this program.</p>
3	Process LWOP action in iCAMS using the following nature of action (NOA) and authority codes for <b>both</b> Federal and county employees: <ul style="list-style-type: none"><li>• NOA 473 - LWOP US</li><li>• Q3K (1<sup>st</sup> authority code)</li><li>• ZJW (2<sup>nd</sup> authority code). This authority <b>must</b> be used. It identifies the service is under Executive Order 13223.</li></ul>
4	File everything in this table on the left side of the employee's Official Personnel Folder.

**Note:** Within-grade increases and LWOP service computation dates will **not** be adjusted if the NOA and authority codes in step 3 are used.