

Changes to OPM Guidance for Administrative Furloughs
April 2, 2013

**Guidance on Workers' Compensation, SF-50 Processing, and the
Federal Employees Health Benefits Program**

The changes below are included in the April 2, 2013, update to OPM's [Guidance for Administrative Furloughs](#).

Workers' Compensation

In section K (Injury While on Furlough), we are amending the section title, revising Question K.1., and adding Questions K.2–K.5. and a note as follows:

K. Benefits under the Federal Employees' Compensation Act (FECA)

1. Are employees who are injured while on furlough or LWOP eligible to receive workers' compensation?

A. No. Federal workers' compensation is paid to employees only if they are injured while performing their duties. Employees on furlough or LWOP are not in a duty status for this purpose. A Federal employee who is receiving workers' compensation payments under the FECA will continue to receive workers' compensation payments during a furlough and will continue to be charged LWOP.

2. How does an administrative furlough affect the compensation of an employee who is receiving FECA benefits and is under medical orders to work part-time?

A. When an employee is already out on total or partial wage loss benefits, FECA compensation continues at the usual rate. Claims for FECA compensation benefits submitted as a result of missing a partial day due to a furlough are not payable under the FECA.

3. How does an administrative furlough impact the compensation of an employee who is receiving FECA benefits and is required to work a modified light duty schedule?

A. FECA compensation benefits are not payable for work days lost as a result of administrative furlough.

4. How does a furlough affect Continuation of Pay (COP)?

A. If an employee sustains a traumatic injury and is receiving COP before furlough days have been scheduled, COP should continue. However, if an employee sustains a traumatic injury and has already been scheduled for one or more furlough days, then there would be no COP entitlement for any day that the employee was not scheduled to work due to an administrative furlough.

5. Are schedule awards or medical benefits affected by an administrative furlough?

A. No. Schedule award and medical benefits continue regardless.

NOTE: Any additional questions regarding Federal workers' compensation benefits should be directed to the Division of Federal Employees' Compensation, Office of Workers' Compensation Programs, U.S. Department of Labor. See <http://www.dol.gov/owcp/dfec>.

SF-50 Processing

In section M (Procedures—22 Workdays or Less), we are amending Question M.2. to direct readers to OPM's SF-50 processing guidance in its entirety for a fuller understanding of the requirements. The revised Question M.2. reads as follows:

2. How is an administrative furlough documented?

A. Agencies must prepare an SF-50, "Notification of Personnel Action," for each employee subject to furlough (or a List Form of Notice may be prepared for a group of employees who are to be furloughed on the same day or days each pay period). Chapters 15 and 16 of [The Guide to Processing Personnel Actions](#) provide complete guidance on documenting a furlough.

Federal Employees Health Benefits Program

We are adding a new Section S (Federal Employees Health Benefits Program). The new section includes Questions S.1.–S.12 and a note. Also, in Section G (Benefits), we are revising Question G.1. to direct readers to the new Section S.

The revised Question G.1. reads as follows:

1. How does an administrative furlough impact the Federal Employees Health Benefits Program?

A. Please see Section S (Federal Employees Health Benefits Program).

The new Section S reads as follows:

S. Federal Employees Health Benefits Program

1. If an employee is furloughed, does their FEHB coverage continue or terminate?

A. The employee's FEHB coverage will continue if the employee's salary is sufficient to pay the premiums. If pay becomes insufficient to cover premiums, an employee that has

FEHB coverage and participates in premium conversion (paying his or her share of FEHB premiums on a pre-tax basis) has several options available.

If the furlough results in pay for a regular pay period to be insufficient for the employee's employing office to withhold the employee's share of premium from that pay (after the agency applies all deductions in accordance with the required order of precedence, see Question D.1.), the employing office must notify the employee and give the employee an opportunity to elect to either continue or terminate FEHB coverage. If the employee does not respond to this notice within the time for response, the employing office will terminate the FEHB coverage. In some instances, an employee may cancel FEHB coverage. See Questions S.7., S.8., and S.9. for more information.

2. Can an employee terminate FEHB coverage because he/she thinks it's not affordable?

A. No, the employee's view of his/her ability to afford FEHB coverage is not a basis for terminating coverage. However, if the employee has insufficient pay to cover the employee share of the premium (as explained in Question S.1.), the employee may choose to terminate coverage.

3. How can an employee continue FEHB coverage if his or her pay is not enough to cover the premium?

A. If an employee elects to continue FEHB coverage, the employee may directly pay the employing office to keep premiums current, or the employee may incur a debt that the employing office will recover when the employee's pay becomes sufficient to cover the premium.

4. What happens if FEHB coverage terminates for insufficient pay during furlough?

A. If an employee elects to terminate FEHB coverage, or if the employee does not respond to the election notice, the coverage will end retroactive to the last day of the last pay period in which the premium was withheld from pay. The employee and any covered family members are entitled to a 31-day temporary extension of coverage which commences retroactively to the day after the coverage ended. The employee will also have the right to convert to an individual contract for health benefits.

5. If an employee's coverage terminates, can the employee re-enroll once pay returns to a level that covers the employee's share of the FEHB premium?

A. Yes. An employee may re-enroll in FEHB upon returning to sufficient pay status and does not have to wait for an open season to re-enroll. The employee must reenroll within 60 days of becoming eligible as a result of renewed sufficient pay. Otherwise, the employee will be required to wait for an open season or a Qualifying Life Event (QLE) that allows for enrollment outside of open season.

6. How will the employee's termination affect his or her 5-year participation for purposes of continuing FEHB after retirement?

A. For purposes of meeting the 5-year participation requirement, counting of the time the employee is covered under FEHB will *stop* when the employee's enrollment terminates and *resume* upon re-enrollment ***provided*** the employee reenrolls within 60 days of becoming eligible as a result of renewed sufficient pay. In other words, the employee does not start a new 5-year participation period in this circumstance. However, the period of time in which the employee is not covered due to insufficient pay will be considered a period of ineligibility for FEHB, and will not be held against the employee for purposes of meeting the 5-year continuous coverage requirement.

An employee who does not re-enroll within 60 days but postpones re-enrollment until the next open season must begin a new 5-year participation period for purposes of continuing FEHB coverage into retirement.

7. Can an employee who participates in premium conversion (paying his or her share of FEHB premiums on a pre-tax basis) just cancel FEHB coverage if the employee is furloughed?

A. No. For employees participating in premium conversion (paying his or her share of FEHB premiums on a pre-tax basis), an administrative furlough is not a Qualifying Life Event (QLE) that would allow a cancellation.

If the administrative furlough causes an employee's pay for a pay period to become insufficient for the employing office to withhold his or her share of the FEHB premium for that pay period, the employing office must give the employee an opportunity to elect to continue his or her FEHB and incur a debt or to terminate enrollment. The employing office will terminate FEHB coverage if no response is timely received. This termination, either by election or by default, is not a cancellation for FEHB purposes.

8. What options are available to an employee who does not participate in premium conversion (therefore, paying his or her share of FEHB premiums after taxes) and gets furloughed?

A. An employee who specifically waived premium conversion (therefore, paying their share of FEHB premiums after taxes), and whose pay for a pay period is insufficient to cover the employee's share of premium, will be offered the same choices available to an employee covered by Question S.7. However, unlike an employee who participates in premium conversion, he or she may cancel FEHB coverage at any time. He or she does not need a QLE.

9. If an employee cancels his or her FEHB enrollment, will the employee forfeit rights to a 31-day temporary extension, Temporary Continuation of Coverage and conversion to an individual policy, coverage while receiving workers' compensation, continuation into retirement, and coverage for survivors?

A. An employee who elects to cancel coverage should be made fully aware that if coverage is cancelled:

(1) the employee and all eligible family members do not get a 31-day temporary extension of coverage upon cancellation, and the employee may not reenroll in FEHB until he or she has another QLE that permits enrollment, or the next FEHB Open Season, even upon transfer to another Federal agency;

(2) if the employee separates from employment without reenrolling before separation, he or she will not be eligible to purchase temporary continuation of coverage (TCC) or an individual conversion policy;

(3) if the employee is injured and receives benefits from the Office of Workers' Compensation Programs (OWCP) during the time coverage is cancelled, the employee will not have an FEHB enrollment to continue during the period of OWCP coverage;

(4) if the employee retires while coverage is cancelled, the employee will not have a FEHB enrollment to continue into retirement. Moreover, even if the employee while still employed reenrolls in FEHB on account of a QLE or at FEHB Open Season, the period of cancellation is considered a break in FEHB coverage that may preclude his or her ability to continue FEHB coverage into retirement;

(5) if an employee dies while coverage is cancelled, there will be no self and family enrollment for survivors to continue, even if they are eligible for a survivor annuity.

10. Can an employee make an enrollment change because the employee is under an administrative furlough?

A. No. An administrative furlough is not a QLE that would permit an employee to change his or her FEHB plan or option. An employee who participates in premium conversion (paying his or her share of FEHB premiums on a pre-tax basis) may not change to a self only enrollment.

Note that an employee who waived premium conversion (therefore, paying his or her share of FEHB premiums after taxes) may change to self only at any time. However, the employee should be aware that this will deprive his or her covered family members of FEHB coverage and the employee cannot change back to self and family until the employee has a QLE or the next FEHB Open Season. In the event of the employee's death, there will be no FEHB enrollment for surviving family members to continue, even if they are eligible for a survivor annuity.

11. Will full-time employees receive a lower, pro-rated Government share of FEHB premiums if their hours are reduced under an administrative furlough?

A. No. FEHB law (title 5, U.S. Code, section 8906(b)(3)) requires the Government contribution toward FEHB premiums to be prorated (thus a larger employee share) for *part-time career employees*, i.e. employees with a documented regularly scheduled workweek of 16-32 hours per week. An administrative furlough does not change an employee's *regular work schedule*, e.g., from full-time to part-time.

Thus, as long as a full-time employee does not change to *part-time career employment*, the employee remains entitled to a full Government contribution and the proration does not apply even if the number of hours per pay period is reduced during the furlough to within 16-32 hours per week.

12. Will part-time employees receive a lower prorated Government share of the FEHB premiums if their hours are reduced under an administrative furlough?

A. No. The Government contribution toward the FEHB premium for an employee working part-time is prorated based on the employee's *regular work schedule*. An employee's Notification of Personnel Action (SF 50) documents the employee's work schedule and number of part-time hours the employee is scheduled to work per pay period (blocks 32 and 33). This part-time schedule should be the part-time schedule established for leave usage purposes (i.e., the schedule from which leave is charged for absences). A furlough action will place the employee in a non-duty/non-pay status during an otherwise scheduled workday, but it does not change the employee's *regular work schedule*. Therefore, the Government's prorated share of FEHB premium will not decrease.

Note: Additional Sources of Information

A list of QLEs for the FEHB Program may be obtained at http://www.opm.gov/forms/pdf_fill/sf2809.pdf.

OPM's FEHB webpage on Leave Without Pay and Insufficient Pay Status may be found at <http://www.opm.gov/healthcare-insurance/healthcare/reference-materials/reference/leave-without-pay-status-and-insufficient-pay>.