Retirement, Health Insurance and Benefits, Office of Workers' Compensation, and Unemployment Compensation

Frequently Asked Questions

Lapse in Appropriations

Retirement

1. **If a shutdown furlough occurs during the 3 years of service prior to retirement, what effect will time in a furlough status have on an employee's high-3 average pay?**

   Once the lapse in appropriations ends, employees who would have been in pay status but for the lapse will receive retroactive pay for furlough periods pursuant to 31 U.S.C. 1341(c)(2). Thus, there will be no effect on such an employee's high-3 average pay.

2. **What will happen to employees who would have retired during a shutdown furlough?**

   For employees who, on or before the requested retirement date, submitted some notice of their desire to retire, agencies should, when the lapse in appropriations ends, make the retirement effective as of the date requested. The retirement request may be informal (such as a letter requesting retirement) and can be either mailed or personally submitted to the agency. Any additional required paperwork, such as the formal retirement application form, may be completed when the agency reopens. No time spent by the retiree in such actions after the effective date of the retirement may be considered as duty time, since the individual would no longer be an employee of the agency.

3. **If an employee is scheduled to retire before the end of the leave year with an annual leave balance of over the maximum leave ceiling (e.g., 240, 360, or 720 hours, as applicable) and the furlough prevents the employee's retirement from getting processed until January, does the employee lose his or her annual leave above the maximum leave ceiling?**

   No. The employee's retirement would be retroactively applied to a date prior to the end of the leave year, and the employee would receive the full amount of accumulated and accrued annual leave in a lump-sum payment.

4. **How can I make updates or changes to my retirement account?**

   OPM's Retirement Services is available to assist you with your retirement account. As always, you can make many of these changes online through Services Online, emailing retire@opm.gov or by calling Retirement Services at (888) 767-6738. Due to the volume of calls, we recommend that you first use the online services site to make immediate updates and changes.

5. **I recently retired from Federal service. Will my retirement application be delayed by a government shutdown?**

   If your agency or payroll center submitted your retirement application to OPM, you will begin receiving interim annuity payments while OPM Retirement Specialists process your application. Because OPM Retirement Services is funded by the trust fund it manages, OPM Retirement Services employees will still be working normal operating hours during a government furlough. If your agency or payroll center has not yet submitted your retirement application or the application is incomplete, you will likely experience some delay as OPM must wait on other agencies to submit all of the information needed to process your retirement. Some of these agencies may not be operating during a government furlough.

Federal Employees Health Benefits

1. **Will an enrolled employee continue to be covered under the FEHB Program during a lapse in appropriations if the agency is unable to make its premium payments on time?**

   Yes. The employee's FEHB coverage will continue even if an agency does not make the premium payments on time. Following the lapse, each employee who returns to pay status will automatically begin to repay their share of FEHB premium that accumulated during the lapse through payroll withholding. If FEHB premiums are not withheld from retroactive pay, one additional payment in addition to the current pay period amount will be withheld in each subsequent pay period until the employee's accumulated share of premiums have been paid. status.

2. **What happens if an employee wants to terminate Federal Employees Health Benefits (FEHB) coverage while in a non-pay status in order to avoid the expense?**

   Unlike other types of non-pay status, employees in a non-pay status due to a lapse of appropriations (shutdown furlough) will not have the opportunity to terminate or cancel FEHB coverage. The employee will remain covered; the enrollee share of the FEHB premium will accumulate and be withheld from pay upon return to pay status.

3. **Can an employee who has been furloughed enroll or make changes to their FEHB enrollment during a furlough due to a lapse in appropriations?**

   Yes. An employee who is furloughed and experiences a qualifying life event can enroll or make changes in enrollment in the FEHB Program. (See 5 CFR 890.301.) Employees can also enroll or make changes during the annual Open Season. Employees are encouraged to contact appropriate agency human resources staff to ensure they follow the proper processes.

4. **What happens if an employee makes an FEHB Open Season enrollment change to Federal Employees Health Benefits (FEHB) or Federal Employees' Group Life Insurance (FEGLI) transactions during a furlough?**

   Agencies will continue to process FEHB and FEGLI transactions during a lapse in appropriations. Employees responsible for processing FEHB or FEGLI transactions must be

excepted to perform this work because the law designates the processing of these transactions as emergency services that must continue under the Antideficiency Act. (See 5 U.S.C. 8702(d), 8905(i); 5 CFR 870.106, 890.113.)

5. **Would a lapse in appropriations alter the effective date of an FEHB Open Season enrollment change if an enrollment request was fully processed by an agency and submitted to the health plan prior to the lapse?**

   No. If an enrollment change request was submitted properly, the effective date of an FEHB Open Season change would still be the first day of the first full pay period in January.

6. **If an employee is not currently covered under the FEHB and elects to enroll during Open Season would the enrollment be processed? What is the effective dated for coverage?**

   Yes. Such an individual would have coverage beginning on the first day of the first full pay period in January.

Federal Employees' Group Life Insurance (FEGLI)

7. **What happens to an employee's Federal Employees' Group Life Insurance (FEGLI) Program coverage if furloughed?**

   When the lapse ends, the employee will receive retroactive pay under 31 U.S.C. 1341(c)(2) and retroactive FEGLI premiums may be withheld from that pay. If FEGLI premiums are not withheld from retroactive pay, no more than one additional payment will be withheld in each subsequent pay period until all premiums have been paid.

Flexible Spending Account (FSAFEDS)

8. **What happens to an employee's Flexible Spending Account (FSAFEDS) coverage if furloughed?**

   Payroll deductions will cease for any employee that does not receive pay. The employee remains enrolled in FSAFEDS, but claims for eligible health care expenses incurred during a non-pay status will not be reimbursed until the employee returns to a pay status following the lapse and allotments are successfully restarted. The remaining allotments are recalculated over the remaining pay periods to match the participant's election amount. However, any claim submitted with dates of service prior to an employee entering non-pay status will be paid in accordance with existing procedures, up to the balance of the employee's annual election.

   Eligible dependent care expenses incurred during a non-pay status may be reimbursed up to whatever balance is in the employee's dependent care account—as long as the expense incurred during the non-pay status allows the employee (or spouse if married) to work, look for work, or attend school full-time.

9. **Will the effective date of my FSAFEDS enrollment be affected?**

No.

Federal Long Term Care Insurance Program (FLTCIP)

10. What happens to an employee's Federal Long Term Care Insurance Program (FLTCIP) coverage if furloughed?

FLTCIP coverage will continue for enrollees who are furloughed or excepted from furlough and working without pay during a shutdown furlough based on a lapse in appropriations. In addition, FLTCIP coverage may not be canceled as a result of nonpayment of premiums or other periodic charges due to a lapse in appropriations. (See 5 CFR 875.302.) Employees paying premiums via Direct Bill or Automatic Bank Withdrawal will continue to be billed, but the insurer will not terminate for nonpayment of premium during the lapse in appropriations. Regarding claims eligibility requests for FLTCIP during a shutdown furlough, claim benefits will not be reimbursed to the enrollee until all past due premiums are paid.

At the end of the shutdown, FLTCIP premiums will be paid from retroactive pay provided under 31 U.S.C. 1341(c)(2) or may be paid back from another source (i.e., automatic bank withdrawal) for FLTCIP enrollees who elected to make payments directly to the Carrier.

If missed premium payments are unable to be collected via automatic bank withdrawal or deductions from the enrollee's payroll or annuity/pension, enrollees will be billed directly for the premium amount due. After the shutdown, if the enrollee elected to pay their premium via automatic bank withdrawal, past due premiums will be collected by withdrawing up to two months of premiums from the enrollee's bank account each month until it is current. For enrollees who did not elect to make payment directly, FLTCIP premiums will be paid to the Carrier from enrollees' retroactive pay made available as soon as practicable upon the end of the lapse.

Federal Employees Dental and Vision Insurance Program (FEDVIP)

11. What happens to an employee's Federal Employees Dental and Vision Insurance Program (FEDVIP) coverage if furloughed?

Coverage will continue for an individual enrolled in FEDVIP who is furloughed or excepted from furlough and working without pay during a lapse in appropriations, and an enrollment may not be canceled as a result of nonpayment of premiums or other periodic charges due to a lapse. (See 5 CFR 894.405.) Payroll deductions will temporarily cease for any employee that does not receive pay.

Employees are entitled to retroactive pay under 31 U.S.C. 1341(c)(2) for excepted work performed during the lapse and for furlough periods at the standard rate of compensation. At the end of the shutdown, the accumulated FEDVIP premium for this period will be withheld from their pay. If FEDVIP premiums are not withheld from retroactive pay, no more than

one additional payment will be withheld in each subsequent pay period until all premiums have been paid.

12. Will the effective date of my FEDVIP Open Season enrollment be affected?

No.

Workers' Compensation

1. How is Continuation of Pay (COP) under the Federal Employees' Compensation Act affected by Government shutdown?

The Department of Labor's Office of Workers' Compensation Programs, advises that, in the event of a government shutdown COP will continue for an employee who is disabled and eligible for COP. COP cannot be paid for the same period that retroactive salary is paid.

Employees in COP status will not receive retroactive pay under the Government Employee Fair Treatment Act of 2019 (31 U.S.C. 1341(c)(2)). They are already receiving pay for the time periods under the workers' compensation program. Even if agencies coded employees in COP status as being in furlough status, or gave them a furlough notice, the COP status was unaffected and thus excused absences do not apply.

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

No. 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. An employee who is receiving workers' compensation payments will continue to receive workers' compensation payments during a furlough and will continue to be charged LWOP.

Unemployment Compensation

1. Are employees entitled to unemployment compensation while on furlough?

Furloughed employees may be eligible for unemployment compensation. Unemployment compensation requirements differ by State. Some States require a waiting period before an individual qualifies for payments. The State in where the employee's last official duty station is located will be the State law that determines eligibility for unemployment insurance benefits. (See the Department of Labor website "Unemployment Compensation for Federal Employees" at https://oui.doleta.gov/unemploy/unemcomp.asp.)

Agencies or employees should submit questions to the appropriate State (or District of Columbia) office to determine eligibility. The Department of Labor's website provides links to individual State offices.

2. How do employees file an unemployment claim?

Employees need to contact the state where you worked to file a claim. To find contact information for your state, please visit the following website: http://www.servicelocator.org/. Employees may be asked to provide proof of wages such as an earnings and leave statement, or Form SF-50 and may also be asked to provide a Form SF-8.

3. **Are Federal employees required to repay the unemployment benefits received when wages are paid retroactively for the time that they were not working during the Government shutdown?**

   In most States, including the District of Columbia, employees who receive unemployment benefits and later receive a retroactive payment from their employer for the same time period, will be required to repay the unemployment compensation benefits received. A notice is sent to the Federal agency when a claim is filed.