



## Department of the Navy Civilian Benefits Center

## Benefits Information for Employees Entering Active Military Service

The following is for informational purposes only. Once you are placed in a nonpay status and your Notification of Personnel Action has been processed in the Defense Civilian Personnel Data System, you will automatically receive benefits election forms that you must complete and return.

If you have questions, please call the Benefits Line at 888-320-2917 and select menu option #4 to speak to a Customer Service Representative (CSR). CSRs are available 7:30 a.m. to 7:30 p.m., Monday through Friday, Eastern Time, except for federal holidays. The TTY number for the deaf and hard of hearing is 866-328-9889.

### Federal Employees Health Benefits (FEHB)

**Continuation of FEHB.** If you are enrolled in FEHB and are called to active military service, you may continue your enrollment for up to 24 months, unless you elect in writing to have the enrollment terminated. If you elect to continue your FEHB, your enrollment will terminate at the end of 24 months.

**Cost of FEHB.** The cost to continue FEHB while on military active duty is dependent upon the nature of your active duty.

**In Support of Contingency Operations.** If you choose to continue FEHB and you have been called to active military service in support of a contingency operation, the agency will pay the employee share of the premium. To be eligible to continue FEHB coverage at no cost you must:

- Be enrolled in FEHB and elect to continue that enrollment.
- Be a member of a Reserve component of the armed forces. The Reserve components are: The Army National Guard of the US, the Army Reserve, the Naval Reserve, the Marine Corps Reserve, the Air National Guard of the US, the Air Force Reserve, and the Coast Guard Reserve.
- Be called or ordered to active duty (voluntarily or involuntarily) in support of a contingency operation as defined in Section 101(a)(13) of Title 10, USC.
- Be placed in a nonpay status or separated from civilian service to perform active duty.
- Serve on active duty for a period of more than 30 consecutive days.

**Not In Support of Contingency Operations.** If your military service is not in support of a contingency operation, you are responsible for paying only the employee share of the premium during the first 12 months. For the final 12 months, you must pay 102% (the employee and government share, plus an administration fee of 2 percent of the total premium). During the first 12 months, you may pay premiums on a bi-weekly basis (generally with after-tax monies) or incur a debt to be paid upon your return (generally on a pre-tax basis if you participate in premium conversion). During the additional 12 months, you must pay the 102% on a bi-weekly basis directly to your payroll office.

**Terminating Your FEHB Enrollment.** Your FEHB coverage will continue for 24 months, unless you elect in writing to terminate your coverage.

## **FEHB Coverage When You Return To Your Civilian Position.**

Exercise of Reemployment Rights. When you are released from active duty and exercise your reemployment rights you will automatically be placed in the same health insurance coverage that you had before you entered active duty. However, under the National Defense Authorization Act for 2002 (P.L. 107-107), you may waive your right to an immediate reinstatement of your FEHB coverage to take advantage of "transitional" TRICARE benefits. This means if you were covered under TRICARE, (and entitled to either 60, 120 or 180 days of transitional TRICARE coverage after separation from active duty) you may delay your reinstatement until after your TRICARE transitional coverage ends.

The reinstatement of your FEHB enrollment is effective on the day you return to civilian duty (the same date of the restoration action shown on SF 50, Notification of Personnel Action) and is not retroactive to the date you separated from military service. If there is a gap between your separation from military service and return to active civilian duty, there will also be a gap in health benefits coverage because coverage under the Uniformed Services Health Benefits Program generally ends on the day of discharge without any extension of coverage.

If you return to civilian duty in the exercise of reemployment rights, you may change your reinstated enrollment from self only to self and family, and elect any plan available, within 60 days after you return to civilian service. If you weren't enrolled when you entered military duty, you may enroll within 60 days after your return to civilian service. FEHB elections are effective on the first day of the first pay period that begins after you have made your election and that follows a pay period during any part of which you were in pay status.

Not in Exercise of Reemployment Rights. If you return from active military service after your enrollment terminated, but not in the exercise of reemployment rights, you must (if eligible for coverage) elect to enroll within 60 days after returning to civilian duty, the same as a new employee. You may elect to enroll for self-only or for self and family of any plan available.

**TRICARE/FEHB.** If you are eligible for the TRICARE program, you may obtain more information by calling 866-773-0404 or by going to the TRICARE web site at <http://www.tricare.osd.mil>.

### **FEHB Premium Conversion**

Premiums for health insurance are withheld before federal taxes are calculated so gross income for tax purposes is reduced. This is called FEHB Premium Conversion. You automatically participate in premium conversion unless you have waived participation. You have 60 days from the start of your nonpay to terminate premium conversion, which would allow you to terminate your federal health insurance coverage at any time. If you do not cancel your premium conversion within the 60-day limit, you **cannot** terminate your federal health insurance except during the annual federal health insurance open season or 60 days after another qualifying life event.

The Premium Conversion form is available on the Civilian Benefits Center Web site at:  
<http://www.public.navy.mil/donhr/Benefits/resources/Documents/CBC%2012890-10%20FEHB%20Premium%20Conversion%20Waiver-Election.doc>.

**Note: If you think you might want to terminate your FEHB at some time during your military service, you should consider waiving premium conversion at this time.**

### **Federal Flexible Spending Account Program (FSAFEDS)**

You should contact FSAFEDS when entering nonpay and when you return to duty. FSAFEDS allows you to accelerate your pre-tax deductions prior to entering nonpay status. No contributions will be deposited into your account during your absence.

If you participate in FSAFEDS you may request a taxable distribution of your unused health-care FSAFEDS allotments if you:

- Are a member of the Army National Guard, Air National Guard, Army Reserve, Navy Reserve, Marine Corps Reserve, Air Force Reserve, Coast Guard Reserve or Reserve Corps of the Public Health Service, and
- Are called to active duty for a period of 180 days or more, or for an indefinite period of time

This is called a Qualified Reservist Distribution (QRD). A QRD refunds the balance of FSAFEDS allotments in the requestor's health-care FSA as of the date of the request. Receipt of a QRD closes the FSAFEDS health-care account for that benefit period and you cannot submit additional claims against your account for that benefit period. A valid QRD can be requested during the period beginning with the date of the order or a call to active duty and ending on the last day of the grace period for the FSAFEDS benefit period during which the order or call to active duty occurs.

To request a QRD call FSAFEDS at 877-372-3337 Monday through Friday from 9 a.m. to 9 p.m., Eastern Time. Additional information is available at <https://www.fsafeds.com/fsafeds/SummaryOfBenefits.asp#HEARTAct>.

### **Federal Employees Dental and Vision Program (FEDVIP)**

If you are enrolled in FEDVIP and enter nonpay to perform active military service, you should contact a BENEFEDS Representative at 877-888-3337 to arrange accelerated deductions and to discuss and/or change your payment options. If you are in a nonpay status for two consecutive pay periods, you will be switched to a direct bill method. This means you will receive a bill at your home address for the premiums, and you must pay this bill or FEDVIP enrollment will be terminated. Premiums paid by direct bill are not pre-tax.

### **Federal Long Term Care Insurance Program (FLTCIP)**

If you are enrolled in FLTCIP and enter nonpay to perform active military service, you should contact a LTC Representative at 800-582-3337 to discuss and/or change your payment options. You must keep your premium payments current to avoid cancellation of your enrollment. You may not incur a debt.

### **Federal Employees' Group Life Insurance (FEGLI)**

While you are in a nonpay status from your civilian position to perform active military service you can continue your FEGLI coverage for up to 24 months. During the first 12 months of nonpay status the FEGLI coverage is free. You must elect whether to continue your FEGLI coverage for an additional 12 months and pay both the employee and agency share of the premiums for Basic and any Optional insurance you have.

**Resign to Enter Active Military Duty.** If you resign from your civilian position to enter active military service you are considered to be in a nonpay status for FEGLI purposes. FEGLI continues free for 12 months or until 90 days after military service ends, whichever date comes first. You must elect to continue the coverage for an additional 12 months before the FEGLI coverage terminates and agree to submit payments directly to your payroll office.

**FEGLI Coverage When You Return To Your Civilian Position.** When you return to a civilian position you will automatically be placed in the same life insurance coverage that you had before you entered active duty (unless the position is excluded from coverage).

## Retirement

While you are in a nonpay status to perform active military service you will be covered by your current retirement plan - the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). If you die while on active duty, death benefits will be paid as if you were still in the civilian position. If you become disabled for your civilian position while in a nonpay status and meet minimum civilian service requirements (5 years for CSRS, 18 months for FERS) you can apply for disability retirement benefits.

When you return to a civilian position the period of military service is creditable under either CSRS or FERS; however, you must make a deposit subject to the rules for crediting military service. The deposit is the lesser of:

1. 3% for FERS employees or 7% for CSRS employees of the military base pay; or
2. Whatever the employee contribution would have been for the civilian service had the individual not entered into the military.

Interest begins to accrue each year subsequent to a 2-year interest-free grace period from the date of your return to a civilian position. You can eliminate the additional interest cost of such a deposit by making the deposit during the interest free grace period.

Employees who perform active military service during a period of nonpay sometimes receive civilian pay subject to retirement deductions during their active military duty (using annual or military leave). If this applies to you, when you return to work and apply to pay a military deposit, you will only owe a deposit for the period of active military service not covered by civilian pay and retirement deductions.

## Thrift Savings Plan (TSP)

You cannot make TSP contributions or receive agency contributions to your civilian TSP account while performing active military service. For more information, please review the TSP Fact Sheet – Effect of Nonpay Status on TSP Participation at <https://www.tsp.gov/PDF/formspubs/oc95-4w.pdf>.

You may be eligible to participate in TSP as a member of the uniformed service. Information about TSP for military personnel is available at <https://www.tsp.gov/PDF/formspubs/tspb08.pdf>. If you elect to contribute to both your civilian and military account during the same calendar year your total contributions to both accounts cannot exceed the applicable IRS annual deferral limits.

**TSP Coverage When You Return To Your Civilian Position.** When you return to a civilian position covered by the FERS or CSRS, you may make a current contribution election at any time and have 60 days to make up missed TSP contributions. The amount of make up contributions you can make to your civilian account will be offset by the contributions you made to your military TSP account.

If you are a FERS employee, you are entitled to receive retroactive Agency Automatic (1 percent) Contributions and, if you make up your own contributions, retroactive Agency Matching Contributions. In addition, if you made employee contributions to your uniformed services account, you are entitled to makeup agency matching contributions to your civilian account based on the contributions that were deducted from the basic pay you received while performing active duty.

If you resign and forfeit your Agency Automatic (1 percent) Contributions and associated earnings because you did not meet the TSP vesting requirement, you are entitled to have these funds restored to your account after you are reemployed. In addition, if you resigned and your TSP account was disbursed as an automatic cash-out, you may return to the TSP an amount equal to the full amount of the payment after you are reemployed.

**TSP Loan.** If you have a TSP loan from your civilian TSP account, your loan payments will stop, because they come from payroll deductions. Also, you cannot make payments on that loan from your uniformed services pay. However, you can continue to make loan payments by sending a personal check or money order to the TSP along with a TSP Loan Payment Coupon.

**TSP Catch-Up Contributions.** If you return to a pay status during the same calendar year your catch-up contributions will resume. If you return to a pay status during a different calendar year, you **must** make a new catch-up election, if you want to resume your catch-up contributions.