Department of Defense

DCPAS

Defense Civilian Personnel Advisory Service

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EMPLOYEES NEW TO THE FEDERAL GOVERNMENT

Employee Guide

April 2015

1.0 ABOUT YOUR FEDERAL EMPLOYMENT

Welcome to the Federal community! Many people believe that the Federal workplace is one that is filled with acronyms, codes, and mystery when it comes to understanding your job status and benefits. We want to get you started on the right foot— think of it as the ground floor on which you can build. This guide is intended to provide general information. If you have questions or need additional information, please contact your local employing agency.

Your Human Resources office is required to maintain a chronological file or folder of all personnel action related documents for each employee. This file or folder is created when you are hired and follows you throughout your career until you leave federal service. These documents are created electronically and scanned to allow you to access them at your convenience. We recommend that you establish your own personal file along with your Leave and Earnings Statements (LESs). Each time you are promoted, reassigned, receive a salary increase, receive an award, etc., a Standard Form (SF) 50, Notification of Personnel Action, is created for you. Your new appointment will be documented on a SF-50, and will annotate: type of appointment, retirement plan, salary, and other pertinent information. Once you know your type of appointment, you will be able to determine if you are eligible for benefits. Block 31 on your SF-50 will contain a date that represents your Service Computation Date (SCD) for Leave. If you have no prior federal civilian or military service, your SCD will be the same date as your Appointment Date. Your SCD is used to determine eligibility for benefits that are based on your service as a Federal employee. Contingent on your being continuously employed and not having any period(s) of excess Leave Without Pay (LWOP), your SCD will not change. However, if you have a break in your employment or excess LWOP in a calendar year; your SCD will be recomputed to reflect the actual amount of time that you have worked.

An employee may have four SCDs: Retirement, Leave, Reduction-in-Force (RIF), and Thrift Savings Plan (TSP). Your **Retirement SCD -** will be used to determine your length of service for retirement eligibility and Service Awards; **Leave SCD** - determines how much leave you can accrue each pay period (if eligible). The majority of federal employees earn both annual and sick leave; **RIF SCD -** determines your retention standing in the event of downsizing within your agency; and **TSP SCD -** determines if you are vested (generally 3 years), if you are a Federal Employees Retirement System (FERS) covered employee.

Annual Leave is used for vacations, rest and relaxation, and personal business or emergencies. New Full-time employees earn 4 hours of annual leave per pay period (every 2 weeks). When you have 3 years of service your leave accrual will increase to 6 hours per pay period. If you acquire 15 years of service, you will begin to accrue 8 hours per pay period. Some military service can be creditable service for leave purposes.

Generally, employees can carry over no more than 30 days (240 hours) of annual leave into the next leave year. See the annual leave fact sheet on http://www.opm.gov/oca/leave/HTML/factindx.asp. Full-time employees earn 4 hours of sick leave per pay period. There is no limit on the amount of sick leave that you can accrue. For additional information please see the sick leave fact sheet by visiting: http://www.opm.gov/oca/leave/html/SICKLV.asp

Let us discuss your appointment and other appointment types to answer some of your questions/concerns.

Temporary Appointment: If block 5B on your SF 50, states ―Temporary Appt Not to Exceed a specific date - this means you are in an appointment that is not to exceed (NTE) the date listed in this block, normally this date will be for 1 year. Temporary appointments cannot be longer than 1 year at a time, but the appointment can be extended. If you are appointed under a temporary appointment, you are not eligible for benefits. If block 30 of your SF 50 is ―2 this means you have no retirement coverage and you are paying a Social Security wage. Employees first hired in a Federal position on or after January 1, 1984, will be covered under the Federal Employees Retirement System (FERS) if later converted to a permanent appointment. Under FERS, any temporary appointment beginning on or after January 1, 1989, is not creditable service for retirement purposes; however, it is creditable for Leave, Reduction in Force (RIF), and Thrift Savings Plan (TSP).

NOTE: Contact your agency benefits office for eligibility information regarding Federal Employees Health (FEHB) coverage for certain employees on temporary appointments and certain employees on seasonal and intermittent Schedules. Once employees are eligible to participate in FEHB, they may also participate in other programs such as FEDVIP and the Federal Long Term Care Insurance Program.

Term Appointment: A term appointment is a time-limited appointment, but for a specific period exceeding one year and for no more than four years. Term appointments are covered by FERS, and provide eligibility for health and life insurance, TSP, FLTCIP, FSAs, and FEDVIP. In Block 30 on your SF 50, generally it will read ―K which represents FERS.

Permanent Appointment: means an appointment without a time constraint. You are automatically covered for retirement and are eligible for numerous federal employees benefit programs. There are several types of permanent appointments but as a new employee, your appointment is a Career-Conditional Appointment.

Benefits Elections: If you are in an appointment that conveys benefits (term or permanent), there are decisions that you ***must*** make within prescribed time periods as listed below:

- FEHB - enroll within 60 days or you will not have coverage
- FEGLI - Basic coverage is automatic; 60 days to enroll for Optional coverage
- TSP – anytime
- FSAs – 60 days
- LTC – 60 days
- FEDVIP – 60 days

Your Retirement: If your appointment confers eligibility for FERS, your agency will *automatically* enroll you in this program. Most new employees are automatically covered by FERS.

A FERS basic annuity is based on 1 % of your high-3 average salary times the number of years worked. FERS is a three-tiered retirement plan

The three tiers are:

Social Security Benefits

***Basic Benefit Plan**

Thrift Savings Plan

As a fully funded pension system, the normal cost of FERS derives completely from withholdings from the salaries of covered employees and contributions from employing agencies. The exact amount of retirement deductions withheld from basic pay is set by law.

Employee contributions are established by law and represent a small proportion of the normal cost for a FERS-covered employee; the remainder of the normal cost is carried by the employing agency.

"Normal cost" is an estimate of the percentage of pay that must be contributed for a typical group of new employees over their entire working careers in order to fully pay for their FERS basic benefits.

*Your annuity is just a small part of your retirement program. It is very important that you inquire about your future benefits, to allow you to be able to make the right decisions concerning your retirement.

IMPORTANT RETIREMENT FACTS:

- Any non-covered position (temporary) on or after January 1, 1989, is **not creditable** for retirement purposes.
- If you separate and receive a refund of your retirement contributions from
- OPM, you will be allowed to make a redeposit upon your reinstatement to Federal employment.
- You are responsible for your retirement. You must make sound savings and investment decisions throughout your career to ensure a comfortable retirement.

For additional information on FERS, see the ―FERS Overview of Your Benefits‖ at http://www.opm.gov/forms/pdfimage/RI90-1.pdf.

Social Security: Your Social Security account continues to grow during your Federal and private sector employment. To be eligible for Social Security retirement benefits: an individual must be at least 62 years old, have worked, and paid Social Security taxes, earned at least 40 credits (10 years) and apply for benefits. If you are eligible at age 62, or if you choose to apply at a later date, you will receive benefits based on the law in effect when you are approved.

The Social Security Administration (SSA) sends a personal record of earnings each year to every employee who is at least 25 years of age. It states your earnings and the estimated benefits for you and your family. You can request one on the web site at www.ssa.gov or by calling the SSA toll free number, 1-800-772-1213 between 7 A. M. and 7 P. M., TDD 1- 800-325-0778, Monday through Friday. To request an updated Social Security publication please visit http://www.ssa.gov.gov/pubs/index.html.

Federal Employees Health Benefits (FEHB) Insurance Program: An eligible employee may elect health insurance coverage without a medical examination or restriction because of age, current health or pre-existing conditions. You have 60 days from your Entry On Duty (EOD) date to enroll for a health insurance plan. If you do not make an election, you are considered to have declined coverage. After having made an election for health insurance, your enrollment is effective on the first day of the first pay period after your employing office receives your enrollment request and you were in pay status. Time is critical considering you will not have coverage until you make an election.

Health insurance is an important benefit. The employee and the government share the cost for this benefit. The government's share may not exceed 75% of the total enrollment cost. You will be responsible for paying the remainder. There are numerous plans available. Your choices range from a Health Maintenance Organization (HMO) to a Fee for Service (FFS) Plan to a High Deductible Health Plan (HDHP). You should review the plans and make a decision based on you and/or your family's medical needs. Unexpected accidents and illnesses can be expensive. Even routine doctor visits and prescriptions can add up. With FEHB, you can get **comprehensive health insurance coverage for you, your spouse, and your children under age 26**. There are no waiting periods and no restrictions on pre-existing conditions. No matter where you live, you have 11 or more health plans to choose from. If you *do not* enroll within 60 days, you will not have the opportunity to enroll until an Open Season or a Qualifying Life Event (QLE) that will allow you to enroll. You are responsible for notifying your employing office in a timely manner, if you have a QLE. The Open Season occurs annually (beginning the Monday of the second full work week in November to the Monday of the second full work week in December). Open Season enrollments and changes are effective in January of the following year. For additional information on FEHB and plans, visit: http://www.opm.gov/insure/health/index.asp.

Premium Conversion (PC) is a "pre-tax" arrangement where your health insurance premium is non-taxable. This will allow you to save on Federal income tax and FICA taxes (Social Security and Medicare taxes). Generally, you will save on State and local income taxes. You are automatically enrolled in PC; therefore, enrollment is not necessary. You have an opportunity to waive PC at your first opportunity to enroll for health benefits or during an Open Season. For additional information, you can visit:
http://www.opm.gov/insure/health/reference/premconversion/index.asp.

Federal Employees' Group Life Insurance (FEGLI) Program: FEGLI is a term life insurance policy with no cash value. An employee who is eligible for FEGLI coverage is automatically enrolled for Basic insurance unless he/she waives coverage. Basic coverage is effective on the first day you are in a pay and duty status.

The cost of Basic insurance is shared between you and the Government. You pay two-thirds and the Government pays one-third. Your age does not affect the cost of Basic insurance. The cost is computed at the rate of $0.1500 per $1,000 biweekly. If you enroll in Basic insurance, you may choose to enroll in **Option A** (Standard), **Option B** (Additional), and **Option C** (Family). Option A/Standard is equal to $10,000. Option B is equal to one, two, three, four or five times your annual basic pay (after rounding up to the next $1,000). Option C provides coverage for your spouse and eligible children. You may elect one, two, three, four or five multiples of coverage. Each multiple is equal to $5,000 ($25,000 maximum) for your spouse and $2,500 ($12,500 maximum) for each eligible dependent child. If you do not elect Option C because you do not have *eligible* family members, upon having a QLE (for example: marriage, birth of a child, adoption etc.), you may elect family coverage within 60 days of the event. Open seasons for life insurance are rare and are scheduled by OPM. If you do not know the amount of your life insurance coverage you have elected, Block 27 on your SF 50 will have a code and explanation of your elected coverage; if you are still in doubt, contact your employing office. To determine the cost for optional coverage use the online calculator at www.opm.gov/calculator/worksheet.asp For more information regarding FEGLI coverage go to http://www.opm.gov/insure/life/ .

Note: If you have an intermittent or part-time work schedule, contact your employing office for information concerning your eligibility and the cost and value of FEGLI coverage. For detailed *information on the FEGLI program, see FE 76-21, FEGLI Program Booklet, http://www.opm.gov/insure/life/fegli/feds.asp*.

Thrift Savings Plan (TSP): The Thrift Savings Plan (TSP) is a retirement savings and investment plan for Federal employees. TSP offers Federal employees similar savings and tax benefits that many private corporations offer their employees under "401(K)" plans. New employees are automatically enrolled, and 3% of your basic pay is deducted from your paycheck each pay period and deposited in the traditional balance of your TSP account. As a new employee the TSP is a very important part of the FERS retirement. You may change your election to contribute any dollar amount or percentage (1% to 100%) of your basic pay.

However, your annual dollar total *cannot exceed* the Internal Revenue Service (IRS) Elective Deferral Limit. Among civilian TSP participants, only FERS employees are entitled to receive agency contributions. Your agency makes two different types of contributions to your TSP account as part of your FERS benefits. These agency contributions are not taken out of your pay, nor do they increase your pay for income tax or Social Security purposes. Your agency will *automatically* contribute to your TSP account an amount equal to 1% of your basic pay earned each pay period. This is your *Agency's Automatic 1% Contribution*.

Most FERS employees become vested in their Agency Automatic Contributions *after* completing 3 years of Federal civilian service. You will receive the 1% contribution whether or not you make a contribution to your TSP account. If you are making contributions, you will also receive Agency Matching Contributions. If you do not make a contribution, you will not receive Agency Matching Contributions. Your contributions are matched dollar-for-dollar on the first 3% of your pay that you contribute each pay period and 50 cents on the dollar for the next 2% that you contribute from your pay. Your agency will not match the contributions that you make above five percent of your pay. To start, change, increase or stop your contributions, ask your personnel office for the TSP-1 Election Form or make an electronic election. Complete your form (TSP-1) and specify either a percentage or dollar amount of your basic pay.

The TSP investment options include two fixed income funds (G and F Funds), three stock funds (C, S, and I Funds), and five lifecycle funds (L Income, L 2020, L2030, L 2040 and L2050). Before making any investment decisions, you should read the Fund Information Sheets on the TSP website carefully. To specify your designation of contributions to be invested, use the TSP website or contact the Thrift Line. Your Form TSP-50 should be submitted to the TSP Office. **Do not submit Form TSP-50 to your agency**. All contributions, including your agency contributions, will be invested in the G Fund until you make a contribution allocation.

TSP Catch-up Contributions: Catch-up contributions are supplemental tax-deferred contributions available to TSP participants age 50 or older who are already contributing the maximum amount of regular TSP contributions for which they are eligible, up to the maximum IRS elective deferral limit. Catch-up contributions have their own annual limit of $5,500. Thereafter, increases will be indexed to inflation. If you are eligible, you can submit a TSP-1-C (Catch–up Contribution Election) at any time to make contributions. Please contact your local servicing personnel office for guidance/assistance. Your catch-up contributions are deducted from your basic pay each pay period; therefore you must be currently employed by the Federal government and receiving pay. **THRIFT LINE** 1-877-968-3778, TDD (hearing impaired participants) 1-877-847-4385 International callers should call (404) 233-4400.

Federal Employees' Dental & Vision Insurance Program (FEDVIP): FEDVIP is available to eligible Federal employees, retirees and their eligible family members on an enrollee-pay-all basis. This Program allows dental and vision insurance to be purchased on a group basis which means competitive premiums and no pre-existing condition limitations. Premiums for enrolled employees are withheld from their salary on a pre-tax basis. New and newly eligible employees can enroll during the 60 days *after* they become eligible. Employees *must* be eligible for the FEHB Program in order to be eligible to enroll in FEDVIP. It does not matter if they are actually enrolled in FEHB - eligibility is the key. Annuitants do not have to be eligible or enrolled in the FEHB Program.

It is important to understand that FEDVIP and FEHB are entirely separate programs. Some FEHB plans will continue to offer coverage of some dental and vision services. Also, some offer non-dental and vision services. Individuals eligible to enroll in both programs can choose to enroll in FEHB only, FEDVIP only, or neither. For enrollment and premium questions on the Federal Employees Dental and Vision Insurance Program, please contact a BENEFEDS Representative at 1(877)888-3337 TTY **1-877-889-5680** or visit the website https://benefeds.com

Federal Long Term Care Insurance Program (FLTCIP): Federal Long Term Care (FLTCIP) is an insurance you may need if you can no longer perform everyday tasks by yourself. There may come a time when you need help getting dressed, eating, or bathing. Also, it includes the kind of care you would need if you had a severe cognitive impairment like Alzheimer's disease. You can receive this care in a variety of settings, including your home, an assisted living facility, or a nursing home. The Federal Long Term Care Insurance Program was designed specifically for members of the Federal family. It is sponsored by the Federal government and backed by John Hancock Life and Health Insurance Company. The FLTCIP is designed to help protect enrollees against the high costs of long term care. Personal access to registered nurse care coordinators and home care provisions are just a few of the reasons why the program may be a smart choice for you. The FLTCIP provides LTC insurance for Federal employees, annuitants, current spouses, adult children including adopted and stepchildren at least 18 years old, same-sex domestic partners of Federal or U. S. Postal Service employees or annuitants who have submitted the proper paperwork. Parents, parents-in-law, and stepparents of living employees are all *eligible* to enroll. If you are newly employed in a position that conveys eligibility for FEHB coverage, you can apply for FLTC insurance, even if you do not enroll in the FEHB Program. You and your spouse have 60 days from your EOD date to apply using the abbreviated underwriting application with only a few health-related questions. If you apply after the 60-day period, you will have to use the full underwriting application with numerous health-related questions, and you might be subject to a review of your medical records and/or an interview with a nurse. All other eligible family members must use the full underwriting application. You will make your election for the FLTCIP directly with the Long Term Care Partners. **You can contact a FLTCIP Customer Service Representative by calling 1-800-582-3337, 8 a.m. to 6 p.m., Monday through Friday, Eastern Standard Time (EST). You can access information and resources regarding the LTC Insurance program online at http://www.ltcfeds.com .**

Flexible Spending Accounts (FSAs): A Flexible Spending Account (FSA) is a tax-favored program offered by employers that allows their employees to pay for eligible out-of-pocket health care and dependent care expenses with pre-tax dollars. By using pre-tax dollars, an FSA gives you an immediate discount on these expenses that equals the taxes you would otherwise pay on that money. In other words, with an FSA, you can both reduce your taxes and get more for your money by saving from 20% to more than 40% you would normally pay for out-of-pocket health care and dependent care expenses with after-tax (as opposed to taxed) dollars.

FSAFEDS offers three types of FSAs:

Health Care Flexible Spending Account (HCFSA) which can be used to pay for qualified medical costs and health care expenses that are not paid by your Federal Employees Health Benefits (FEHB) plan or any other insurance. A HCFSA cannot be used to pay for any type of insurance premiums, including long-term care insurance premiums.

Limited Expense Health Care Flexible Spending Account (LEX HCFSA) is only available to employees who enroll in a Federal Employees Health Benefits (FEHB) Program under a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA). **Eligible expenses are limited to dental and vision care services/products that meet the IRS definition of medical care**. By using a LEX HCFSA, you can preserve the funds in your Health Savings Account to use/save for other purposes.

Dependent Care (Day Care) Flexible Spending Account (DCFSA) is used to pay for eligible dependent care expenses such as child care **for children under age 13 or day care for anyone who you claim as a dependent on your Federal tax return who is physically or mentally incapable of self-care** so that you (and your spouse, if you are married) can work, look for work, or your spouse can attend school full-time.

If you wish to participate in FSA you *must* make an election; enrollments are not automatic. FSAFEDS Benefit Period will run from January 1 through December 31 of the current year for a Health Care FSA or Limited Expense Health Care FSA, and from January 1 of the current year through March 15 of the following year for a Dependent Care FSA.

You have 60 days from your eligibility date to enroll but no later than October 1 of the plan year. If you fail to enroll during your 60-day enrollment period, you will have to wait until the annual open season or until you have a Qualifying Life Event (QLE) (for example: marriage, birth of a child, etc).

Eligible employees can enroll in FSAFEDS for the upcoming Benefit Period during the Federal Benefits Open Season that is held each year during mid-November through mid-December. You must choose to enroll each year; your participation will not automatically carry over from year-to-year.

The maximum you can elect for a Benefit Period is $5,000 per DCFSA account, and $2,550 per HCFSA (or LEX HCFSA). However, the household limit for a DCFSA is $5,000 ($2,500 if you are married, but filing separately). The minimum annual amount you can elect is $100 per account. Most people review their current year expenses, and take into account changes that will occur in the coming year when making their annual elections.

You must enroll in a FSA each year in order to participate. If you fail to enroll, you will not have a FSA for the following year. If you have questions about the FSA program contact a FSA Program Counselor at 1-877-372-3337 or by visiting the Health Care FSA or Dependent Care FSA homepage at: https://www.fsafeds.com/fsafeds/index.asp.

NOTE: You will FORFEIT any money that you do not use in your account(s) by the end of the Benefit Period. This is known as the "use or lose" rule. FSAFEDS carryover allows you to bring up to $500 of unspent funds into the following year when you re-enroll in a HCFSA or LEX HCFSA.

The FSAFEDS Grace Period for a DCFSA provides you with an additional 2 1/2 months (January 1 to March 15) to incur for dependent care expenses against your prior year's account. You have until midnight Eastern Time on April 30 following the end of the Benefit Period to file claims for reimbursement for eligible expenses incurred during the previous Benefit Period. We encourage you to carefully plan how much money to contribute to your account(s). FSAFEDS follows Internal Revenue Service (IRS) guidelines to determine eligible expenses and other requirements for participation in an FSA issued under Sections 105, 125, and 129 of the Internal Revenue Code.

Military Service: If you have military service prior to 1957, it is fully credited to you without a military deposit, unless you are retired military. Any military service after 1956 *must* have a military deposit paid for this service to *count* in your retirement SCD. Your deposit is equal to 3% of your military base pay plus interest, if required. As a new employee (FERS), you have an interest free period of the first two years following FERS coverage, with the interest posted on the third year (anniversary date). This is your Interest Accrual Date (IAD). Interest is compounded annually. For example: if you were hired in a FERS covered position on March 3, 2005, you will not owe any interest if you pay the full deposit before March 3, 2008 (the 3rd year following your first FERS appointment). If you have additional periods of military service, after your initial covered appointment, your IAD will be determined in the same manner; that is, upon the 3rd year (anniversary) after you return to your civilian position. You should check with your employing office upon your return to determine if you are entitled to other advantages as a result of the Uniformed Services Employment and Reemployment Rights Act (USERRA). If you are a military retiree, your service will not count for retirement purposes *unless* you waive your military retired pay (prior to retirement from your civilian job) and make a deposit for this service. Contact your employing office for additional information.

Resources: All benefits withholdings from your wages are shown on your Leave and Earnings Statement (LES). You should review your LES on a regular basis: for deductions, leave balances, tax issues, etc. If you believe there is an error on your LES or with your benefit entitlements, it is your responsibility to contact either your employing office or an agency payroll representative. You may access mypay at: https://mypay.dfas.mil/mypay.aspx

The following websites provide valuable information on your benefits coverage and elections. It is important that you access these sites to stay abreast of your benefits and changes: Retirement, FEHB, FEGLI www.opm.gov
Social Security www.ssa.gov
Defense Finance and Accounting Service http://www.dfas.mil/civilianemployees.html
Thrift Savings Plan www.tsp.gov
FEDVIP www.benefeds.com
Long Term Care www.ltcfeds.com
Flexible Spending Account www.fsafeds.com