UNITED STATES POSTAL SERVICE®

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Health Benefits and Life Insurance Coverage During Military Service

This management instruction (MI) outlines health benefits and life insurance coverage for Postal Service employees absent on leave without pay (LWOP) to perform active duty military service.

CONTENTS

Overview

Effective September 12, 2005, the U.S. Postal Service implemented changes in the administration of Federal Employee Health Benefits (FEHB) and Federal Employees' Group Life Insurance (FEGLI) coverage for career employees absent to perform active duty military service, pursuant to new federal guidance. MI EL-520-2005-1 issued policies affecting the length of health benefits and life insurance coverage and the payment of health benefits premiums for employees who continue coverage while absent to perform active duty military service.

This new MI discusses in detail the following revisions to the policies previously published:

- The Human Resources Shared Service Center (HRSSC) is assigned the administration of the benefits described herein.
- Election practices are updated according to the Uniformed Services Employment and Reemployment Rights Act (USERRA), which requires a positive election for FEHB coverage.
- Employees have the option of waiting to pay any funds they owe to the Postal Service for health benefits premiums until they return from military duty. The amount an employee owes is based on the documentation of eligibility presented upon return to work. To the extent possible, premiums are deducted from an employee's pay on a pretax basis, reducing the out-of-pocket cost.

Employees who suffer an injury while performing active military service that prevents reemployment are forgiven any indebtedness to the Postal Service for benefits premiums or overdrawn leave.

Title 10 of the United States Code (U.S.C.) — the portion of the code under which the president of the United States has authorized the Department of Defense and the Department of Transportation to respond to the continuing and immediate threat of attacks on the United States by ordering any unit and any member of the Ready Reserve to active duty for not more than 24 consecutive months.

The following issues, previously published, are also discussed in detail:

- Qualified career employees activated for military service under Title 10 of the United States Code (U.S.C.) in support of Operation Iraqi Freedom, Operation Enduring Freedom, or Operation Noble Eagle (or any other contingency operation that may be designated as qualifying by the Department of Defense subsequent to this instruction) are eligible for health insurance at no cost to themselves for up to 24 months, retroactive to December 28, 2002. The Postal Service is assuming the full cost of their premiums only for the time that employees are performing qualifying service. This same benefit is not available to employees activated for military service under authority other than 10 U.S.C. for support of one of the qualifying contingency operations.
- Career employees activated for military service but not eligible for the 24-month premium payment benefit continue to share premium payments with the Postal Service for the first 365 days of their military service. They may choose to continue coverage, paying the full premium cost plus a 2 percent administrative fee, for up to 12 months or, if they begin their military service before December 10, 2004, for up to 6 months.
- The Office of Personnel Management (OPM) has determined that employees absent for military service may extend their FEHB and FEGLI coverage by using paid leave for eight consecutive pay periods to interrupt the initial 365-day leave without pay (LWOP) period and thus postpone termination of benefits.

In order to benefit fully from their FEHB and FEGLI entitlements, employees need to be aware of their options before military service begins so that they can make appropriate choices — not only about whether to continue FEHB coverage while absent, but also about how they manage their use of leave and payment of premiums if they do continue coverage.

Policy

Premium Payment and Coverage Eligibility

Health Insurance

Effective retroactively to December 28, 2002, payment of FEHB premiums for covered employees performing active duty military service depends on the authority under which they are activated for service. The period of eligibility for coverage may be affected further by the date service begins.

- **FEHB-covered employees called to qualifying active duty military service** have no cost for health insurance premiums for up to 24 consecutive months while performing qualifying service, as the Postal Service pays the full premium. Coverage is terminated after a maximum of 24 months except as described in *Use of the LWOP-Interruption Option* (page 4).

  Qualifying service is active duty federal military service to which the employee is called under 10 U.S.C. in support of one of the following qualifying contingency operations:

  - Operation Enduring Freedom.
  - Operation Noble Eagle.
  - Operation Iraqi Freedom.
  - Any other contingency operation that may be so designated by the Department of Defense subsequent to this instruction.

  These employees are serving in one of the following military units:

  - Army National Guard.
  - Army Reserve.
  - Navy Reserve.
  - Marine Corps Reserve.
  - Air National Guard.
  - Air Force Reserve.
  - Coast Guard Reserve.
  - Public Health Corps.

- **FEHB-covered employees activated for military service by state or other municipal authority or otherwise not qualified for Postal Service payment of premiums under 10 U.S.C. and a qualifying contingency operation** continue to be charged the employee portion of the FEHB premium for the first 365 days they are absent. They may then terminate coverage or elect additional coverage at full cost plus a 2 percent administrative fee, for up to 12 months or, if they begin their military service before December 10, 2004, for up to 6 months.

  Coverage is terminated after a maximum of 18 or 24 months, as applicable, except as described in *Use of the LWOP-Interruption Option* (page 4).

  Employees affected by this provision include, for example, members of the Army National Guard and Air National Guard ordered to duty under Title 32, U.S.C., or any provision of **state, territorial,** or **District of Columbia** code.

Employees who are called to active military service under state law only receive FEHB coverage for up to 365 days of LWOP.

Title 32 of the United States Code (U.S.C.) — the portion of the code under which employees are activated by state or other municipal authority for service in, for example, the Army National Guard or Air National Guard. Employees may be activated also by other provisions of state, territorial, or District of Columbia code.

Life Insurance

As FEGLI premiums are deducted only for periods of paid leave, no FEGLI premiums are deducted for periods of LWOP. Employees do not owe for missed or underpaid FEGLI premiums upon their return to work.

Coverage is terminated after a maximum of 12 months, except as described in *Use of the LWOP-Interruption Option,* below.

Election of, Extension of, and Payment for FEHB Coverage

Election of Coverage

Upon entering military LWOP status, employees use PS Form 3111, *Federal Employees FEHB Coverage or Termination While in Leave Without Pay (LWOP)* Status, to elect one of the following:

- To terminate FEHB coverage.
- To continue coverage and do one of the following:
  - Pay the premiums from available pay during their absence when possible.
  - Not pay the premiums during their absence.

When an employee returns to work, a determination is made whether the employee qualifies for the 24-month premium payment benefit, and payments are then collected or refunded as necessary.

If no written election is provided, the Postal Service assumes that the circumstances of the employee's military service may have prevented him or her from making an election and continues coverage until the employee terminates coverage, the 24-month entitlement ends, or the 31 days following return to work ends, whichever comes first. The employee is obligated to pay for the coverage elected, unless he or she is determined to be eligible for the 24-month premium payment benefit, which offsets up to 24 months of premiums.

If notice is not received by the HRSSC within 31 days after return to work, coverage is terminated effective the last day of the pay period in which the employee entered active duty military service, in conformance with the USERRA requirement that a positive election is required for coverage. Premiums due are cancelled, but the employee is responsible for repaying any claims that have been paid by his or her health plan.

Use of the LWOP-Interruption Option for Extension of Coverage

Based on guidance provided by the Office of Personnel Management (OPM) at the request of the Postal Service, employees called to active duty military service may use small portions of paid leave to interrupt LWOP and thus prevent termination of FEHB and FEGLI coverage eligibility. (Note that this ability to extend coverage does not confer qualification for the 24-month full premium payment benefit, which is determined as described in *Premium Payment and Coverage Eligibility* (page 2).)

When an employee is in a pay status for "any portion" of a pay period, the period of coverage eligibility is extended for one pay period. The employee may be able to take minimum amounts of leave during a pay period and thus be considered in pay status for that pay period. Specifically:

- ***A nonexempt employee, who may be a part-time flexible rural carrier but not any other rural carrier,*** may request to use minimum amounts of paid leave per pay period.
- ***An exempt employee or regular rural carrier*** may request to use as little as 8 hours of paid leave per pay period.

When the employee has been in a pay status for 4 straight months (8 consecutive pay periods) at any time before the conclusion of the initial eligibility period (365 days for FEHB and 12 months for FEGLI), a new period of coverage eligibility begins. Thus termination of health benefits and life insurance can be postponed, potentially indefinitely.

Example: An employee in LWOP status effective January 1, 2007, who uses a minimum amount of paid leave each pay period in the months of September through December begins a new 365-day eligibility period in January 2008. Each pay period that paid leave is used to interrupt LWOP extends FEHB coverage by one pay period.

Note: Employees should be made aware of the following leave management considerations:

- The use of **military leave** (distinct from LWOP for military purposes and from other paid leave), as authorized in accordance with *Employee and Labor Relations Manual* (ELM) 517, may be advisable. A full-time employee is advanced 15 days of military leave each fiscal year and can carry over up to 15 days to the next fiscal year. A part-time employee is advanced 1 hour of military leave for each 26 hours in pay status (including military LWOP) in the preceding fiscal year provided the employee was in pay status for a minimum of 1,040 hours in the preceding fiscal year.
- **Annual leave** may also be available to full-time and part-time career employees — carried over from the previous leave year or credited at the beginning of the current leave year. Note that although credited annual leave can be used before it is "earned," any negative balance at the end of a leave year is subject to recovery. Furthermore, when an employee's absence in a non-pay status totals the equivalent of one pay period of regular service, *credit for leave is reduced* by the amount of leave earned by the employee in a pay period. The equivalent of one pay period is usually 10 days or 80 hours, but the amount varies according to the type of schedule. For

rural carriers who are required to work 6 days a week, the equivalent of one pay period is 12 days. For J route carriers, the equivalent of one pay period is 11 days. For part-time regular employees who have limited tours, the equivalent of one pay period is determined according to their schedule. (For a limited tour of 30 hours per week, for example, 60 hours is the equivalent of one pay period.)

  - **Sick leave** can be used, but only if the employee is hospitalized, confined to quarters as directed by competent military medical authorities, or on convalescent leave.
  - If the employee later requests a calculation of the **post-1956 military service deposit** to cover the period of active military service, paid leave taken during that period is not included, and the deposit amount is reduced accordingly.

Payment of Premiums

FEHB premiums are charged as follows:

- If the employee indicates that he or she wants to continue enrollment and pay the premiums from available pay:
  - Statements are sent to the employee and the **employee share** of the premiums is collected from available pay whenever **pay is sufficient** to cover the deduction. The employee incurs a debt for the remainder of the premiums that are due.
  - If it is determined from the DD Form 214 submitted to the HRSSC upon the employee's return that he or she qualifies for the 24-month premium payment benefit, the employee receives a refund for any premiums that were paid.

  This option is advantageous for employees who do not qualify for the 24-month premium payment benefit because it allows payments to be made on a pretax basis.
- If the employee indicates that he or she **does not want to pay premiums during his or her absence:**
  - No statements are sent and the Postal Service pays the premiums.
  - If it is determined from the DD Form 214 submitted to the HRSSC upon the employee's return that the employee's service did not actually qualify him or her to have the full cost of coverage paid by the Postal Service, premiums are collected from the employee when he or she returns — from pay or through invoices as appropriate under finance procedures.

FEGLI premiums are deducted for the periods of paid leave taken only to the extent that net pay is available, and the amount of net pay for 1 hour, or even 8 hours, of paid leave per pay period is minimal. Employees do not owe FEGLI premiums missed or underpaid during the period of LWOP upon their return to work.

Payment of premiums with and without the extension of coverage made available by interrupting LWOP is shown in the attachment.

Reactivation

If employees are discharged from military service, return to pay and duty status for at least 1 full day, and then are reactivated for military service, they are eligible for a new period of **FEHB** eligibility. Payment of FEHB premiums is determined anew by the authority under which they are activated, as detailed in *Premium Payment and Coverage Eligibility* (page 2). Qualified employees must have been on active duty continuously for 30 days to be eligible for full payment of premiums by the Postal Service.

A new period of FEGLI coverage does not start unless the employee is in a pay status for 4 consecutive months (8 pay periods).

Reactivated employees have the opportunity to extend coverage as detailed above in *Use of the LWOP-Interruption Option.*

Management of Premium Payments

Life Insurance

Only if employees elect to use paid leave, for LWOP interruption or for any other reason, are deductions made for **FEGLI** premiums if enough pay is available. Employees do not owe for missed or underpaid FEGLI premiums upon their return to work.

Health Insurance

Career employees activated for military service and on LWOP may defer payment of **FEHB** premiums, even though invoices may be sent, until they return from service and a determination of their eligibility for the 24-month full payment of premiums by the Postal Service can be made for the entire period of their absence.

Employees must provide the HRSSC military orders or other information specifying **activation under 10 U.S.C. and qualifying contingency operation** and noting the period of service. Acceptable documentation **includes DD Form 214** (Member 4 Copy) indicating the employee was awarded any of these service medals:

- Iraq Campaign Medal.
- Afghanistan Campaign Medal.
- War on Terrorism Expeditionary Medal for providing support for one of the following:

- Operation Iraqi Freedom for service between March 19, 2003, and April 30, 2005.
- Operation Enduring Freedom for service between October 24, 2001, and April 30, 2005.

- Global War on Terrorism Service Medal, for service in support of Operation Noble Eagle or another contingency operation.

If the military orders or other military documentation that the employee provides indicate authorization under **Title 32**, the employee automatically **does not qualify** for this benefit.

For employees **qualified** under 10 U.S.C. and a qualifying contingency operation for the no-cost coverage, the Postal Service pays the employee share of **FEHB** premiums, in addition to the Postal Service share, retroactive to December 28, 2002, for a period of up to 24 months. Invoices for FEHB premiums already sent to qualified employees for the period after December 28, 2002, are cancelled or reversed as needed — unpaid invoices are written off and paid invoices are refunded and written off.

For employees **not qualified** for the 24-month full premium payment benefit, the employee pays the employee share of the FEHB premiums for the first 365 days and thereafter pays for 102 percent of the premiums for periods of additional coverage elected for up to 6 or 12 months, as applicable. Employees have the option to pay premiums from available pay or to incur a debt.

Creation of Accounts Receivable — For employees on LWOP, each time there is an unpaid FEHB premium, an FEHB past-due premium is created, for up to a total of four pay periods. If there is a fifth unpaid FEHB premium (as would happen on the fifth pay period of LWOP), an accounts receivable balance is created for the employee. The four unpaid FEHB premiums that were being held, plus the current (fifth) premium, are transferred to this accounts receivable account that the employee owes. If there is another unpaid FEHB premium (for example, a sixth), the process simply starts over — a new FEHB past due premium is created, and up to a total of four unpaid premiums are held again. If a fifth unpaid FEHB premium occurs, then the same procedure is followed as detailed above.

Separated employees who qualify for this benefit receive a refund only upon request.

Employees killed in the line of duty or who suffer an injury preventing reemployment while performing active military service, whether or not pursuant to 10 U.S.C., are forgiven any indebtedness to the Postal Service for benefits premiums or overdrawn leave.

Note: Employees should be made aware of the following premium payment management considerations:

- Employees may wait until they return to work with the Postal Service to pay any outstanding premiums. Not paying the invoices does not affect an employee’s health benefits eligibility, and for active Postal Service employees there is no interest involved and no effect on the credit rating.
- It is then very important for employees to submit their qualifying documentation to the HRSSC as soon as they return to work status. Personnel staff then have the information necessary to determine whether employees owe the FEHB premiums, or whether the premiums are to be fully paid by the Postal Service. For any amounts that should be paid by the Postal Service, the HRSSC works with the FEHB Military Processing Office at the Eagan Accounting Service Center (ASC), 651-406-1660, to zero out the appropriate

FEHB past-due premiums and accounts receivable for unpaid FEHB premiums for any amounts that the employee in fact does not owe and thus avoid taking unnecessary automatic pay deductions.

- Employees who are enrolled for the pretax payment of health insurance premiums at the time they return to pay status are strongly advised to pay the FEHB premium obligations that remain to them through pretax pay deductions if possible (rather than sending a check to satisfy accounts receivable, for example) and thus reduce out-of-pocket costs. Premiums paid through a deduction from pay for a prior year and also after an accounts receivable has been generated must be paid on an after-tax basis in accordance with IRS regulations.
- Employees should realize, however, that when they return to pay status, the amount owed for unpaid premiums may be significant. If there are FEHB past-due premiums (from one to four unpaid FEHB premiums), up to the entire amount due is deducted from their salaries. In addition, if there are sufficient monies available, the premium for the current pay period is deducted from the employee's pay. When an accounts receivable account has been created for unpaid FEHB premiums and that receivable is over 45 days old, payroll automatically takes 15 percent of the employee's disposable net pay per pay period until that accounts receivable account is paid off. This means that an employee who returns to pay status could possibly pay all of these amounts at the same time — the past due FEHB premiums (maximum of four unpaid FEHB premiums), the current FEHB premium, and up to 15 percent of disposable net pay towards payment of any accounts receivables for unpaid FEHB premiums.
- Any premiums that are collected from an employee's pay on a pretax basis and then are refunded are taxable in the year that they are refunded.

Procedures

Before an Employee Leaves for Military Service . . .

Employee

- Provides his or her supervisor information regarding the circumstances of his or her activation, including the title of the U.S.C. and contingency operation under which he or she has been activated and the period of service, if possible.

Supervisor or Postmaster

- Notifies HR local services of the employee's absence when he or she goes on LWOP for active military service to ensure that military LWOP is correctly recorded.

HR Local Services

- Upon notification by the supervisor (or employee) that the employee has been ordered to active military duty, provides the supervisor with the USERRA and Postal Service Benefits Letter – Military and enclosures concerning benefit and eligibility requirements.
- Notifies the HRSSC of the employee's impending absence for active duty military service.

HRSSC

- Processes PS Form 50, *Notification of Personnel Action,* with NOA 460, LWOP MILITARY LEAVE, which assigns an Employee Status of "LW" and Special Benefits Code of "M." (Special benefits code "M" prevents employees from being invoiced for FEHB premiums unless they complete PS Form 3111 electing to continue coverage and to pay premiums or incur a debt. If an employee elects to continue coverage and pay premiums from available pay while on LWOP, the special benefits code should be changed to "U.")
- Gives the eligible employee the opportunity to elect to continue FEHB or terminate coverage while on military duty by providing the employee PS Form 3111, *Federal Employees FEHB Coverage or Termination While in Leave Without Pay (LWOP) Status.*

  When the employee returns the PS Form 3111 or any correspondence making an election, processes it in accordance with the employee's election:

  - If the employee elects to terminate FEHB coverage, completes a Standard Form (SF) 2810, *Notice of Change in Health Benefits Enrollment,* terminating coverage and sends it to Eagan ASC for processing. Sends a copy of SF 2810 to the employee and files the original PS 3111 or correspondence electing to terminate coverage and a copy of SF 2810 in the employee's official personnel folder (OPF).
  - If the employee elects to continue FEHB coverage, and to pay premiums from available pay while on LWOP, changes the special benefits code from "M" to "U" on the NOA 460. If the employee elects not to pay premiums from available pay, maintains special benefits code "M" and files the original PS Form 3111 or correspondence electing to continue coverage in the employee's OPF.

If the employee does not return the PS Form 3111 or advise the HRSSC of his or her election by any type of correspondence within 31 days (45 days if overseas), deems the employee to have elected to continue coverage and files the original PS Form 3111, annotated to indicate the deemed election, in the employee's OPF. Maintains special benefits code "M" on NOA 460.

While the Employee Is Away . . .

Local Payroll/Timekeeping Office

- Enters Hours Code 044 (DACA N for *all* rural carriers) for all hours that the employee is on military LWOP.
- Enters Hours Code 067 (DACA M for *regular* rural carriers) for all hours that the employee is on paid military leave.

  Note: Paid military leave is authorized in accordance with ELM 517, Military Leave, and is distinct from LWOP-military or annual or sick leave used during military service.

- Enters other paid leave hours as appropriate.

  Note: The employee may request annual leave, but the request cannot be approved for the purpose of qualifying for holiday pay if the employee is on LWOP (ELM 434.421). Annual leave credited at the beginning of each leave year is available for use, but a negative leave balance will be subject to recovery. The employee may also request sick leave, but only for those periods that he or she is hospitalized, confined to quarters as directed by competent military medical authorities, or on convalescent leave.

HRSSC

- When an employee, whose health benefits are to remain in force while he or she is absent to perform military service, reaches 21 pay periods in LWOP status, the HRSSC prepares a letter advising the employee of the approach of the 365th day of coverage, by which time the employee must make some elections:
  - If the employee is not qualified for the 24-month premium payment benefit, he or she can continue coverage for up to 6 months or, if he or she began military service on or after December 10, 2004, for up to 12 months.
  - Whether or not the employee is qualified for the 24 month premium payment benefit, he or she can begin using the LWOP-interruption option to extend LWOP and thus coverage.

- If the employee has waived pretax premium treatment, he or she can terminate coverage (at this point or at any other time).

This letter, with a second PS Form 3111 attached (that is, a new PS Form 3111, subsequent to the PS Form 3111 sent when the employee first went on LWOP), is sent to the employee's address of record using the Certified Mail™ – Return Receipt Requested service.

When the employee returns this second PS Form 3111 or any correspondence making an election, processes it in accordance with the employee's election:

- If the employee elects to terminate FEHB coverage, files the original of this second PS Form 3111 or correspondence electing to terminate coverage and, when the SF Form 2810 is received from Eagan ASC, sends a copy of it to the employee and files a copy in the employee's OPF.
- If the employee elects to continue FEHB coverage, changes the special benefits code on the NOA 460 in accordance with the employee's decision to pay premiums from available pay (code "U") or to defer payment until return to work (code "M"), notifies the FEHB Military Processing Office at the Eagan ASC, 651-406-1660, that the employee has elected to continue coverage, and files the original of this second PS Form 3111 or correspondence electing to continue coverage in the employee's OPF.
- If the employee elects to use the LWOP-interruption option, files the original of this second PS Form 3111 and correspondence electing to use the LWOP-interruption option in the employee's OPF.
- If the employee does not return this second PS Form 3111 or advise the HRSSC of his or her election by any type of correspondence within 31 days, deems the employee to have elected to continue coverage, notifies the FEHB Military Processing Office at the Eagan ASC, 651-406-1660, of the deemed election to continue coverage, and files the original PS Form 3111, annotated to indicate the deemed election, in the employee's OPF. Maintain special benefits code "M" on NOA 460.

After the Employee Returns . . .

Employee

- Provides HR local services or the HRSSC copies of DD Forms 214 (Member 4 Copy) or all written military orders or other information documenting the circumstances of his or her activation, including the title of the U.S.C. and contingency operation under which he or she was activated and the period of service. (A given employee may have a series of orders of different categories during an absence to perform military service, so he or she must present to HR local services or the HRSSC ***all*** copies of ***all*** orders for activation covering that period.)
- If the employee has not previously completed a PS Form 3111 to elect or terminate FEHB coverage, obtains and submits the form to the HRSSC within 31 days of returning to work. (Otherwise, in accordance with USERRA, FEHB coverage will be terminated retroactive to the last day of the pay period in which the employee entered active duty military service.)

  Note: **It is very important for the employee to submit the necessary information to HR local services or the HRSSC as soon as possible** so that the staff there can determine (1) whether the employee owes the FEHB premiums or whether they are to be fully paid by the Postal Service, (2) whether money not owed has been paid and should be refunded, and (3) whether money owed has already been deducted or should now be paid or, preferably, satisfied through payroll deductions to take advantage of the savings from payment on a pretax basis. Even if time has elapsed, however, an employee may provide the necessary information and, if qualified, receive a retroactive refund of premiums paid and covered by the 24-month premium payment benefit.

Supervisor or Postmaster

- Also notifies HR local services when an employee returns to work with the Postal Service from military LWOP to ensure proper recording of the employee's return to work.

HRSSC

- Ensures that NOA 460 has been processed.
- Processes PS Form 50 with an NOA Code 292, Return to Duty, to remove the status of "LW" and the Special Benefit Code of "M" or "U." (An employee with an LWOP status and pay hours is reported as a discrepancy on the Currency Report PFF938P1 at the end of each pay period until his or her status is resolved.)

- Reinstates FEHB coverage for the returning employee if benefits were terminated or, if the employee was not covered by FEHB when LWOP began, advises the employee of his or her right to elect to enroll in FEHB within 60 days after his or her effective return to work date.
- If after 31 days from the employee's return to work the employee has not submitted written notice to continue FEHB coverage during the most recent active duty military service, terminates coverage effective the last day of the pay period in which the employee entered active duty military service.
- Determines qualification for prior service eligibility by reviewing the orders of an employee who, retroactive to December 28, 2002, served on active duty in support of one of the qualifying contingency operations noted above pursuant to 10 U.S.C.
- Completes final information on an FEHB Military Worksheet for each period of service for which the employee was activated by separate military orders between December 28, 2002, and the employee's date of return to work with the Postal Service, requesting a refund of premiums already paid by the employee during that time. Keeps one copy on file and sends one copy of each worksheet completed on the employee to the address noted on the FEHB Military Worksheet for the FEHB Military Processing Office at the Eagan ASC.
- Upon verification of any period of service qualifying for full or partial payment of premiums by the Postal Service, works with the FEHB Military Processing Office at the Eagan ASC, 651-406-1660, to avoid taking automatic pay deductions by zeroing out the appropriate FEHB past-due premium balance and accounts receivable for unpaid FEHB premiums for amounts that the employee in fact does not owe.
- If the employee requests a calculation of the post-1956 military service deposit to cover the period of active military service, does not include paid leave taken during that period. The deposit amount is reduced accordingly.

Eagan ASC

The Payroll Services and Finance branches work together to coordinate the following:

- Processes late action or termination SF 2810s (remarks should reference "10 U.S.C. [name qualifying contingency operation], FEHB Provisions").
- Adjusts invoices for FEHB premiums for the period of military service:

- If the employee is eligible for the 24-month full premium payment benefit, writes off invoices not paid and issues refunds for invoices paid and writes them off, covering the 24 months.
- If the employee is not eligible for the 24-month full premium payment benefit, issues new or adjusted invoices as necessary.
- If the employee has extended coverage using the LWOP-interruption option, issues adjusted invoices as necessary.

Note: Invoices that are 45 days old have a payroll deduction segment (PRD) mechanically established, and collections begin when the employee returns to pay status.

FEHB and FEGLI Coverage
For Employees Absent on LWOP to Perform Military Service

The table below details how 24–month coverage eligibility, the LWOP–interruption option, and 24–month premium payment benefit qualification interact for **career** employees. Noncareer employees can also use the LWOP–interruption option to extend their eligibility for FEHB and FEGLI coverage, provided they have the necessary paid leave available, but they are not eligible for the 24–month premium payment benefit or any other Postal Service health benefit contribution.

Note: Military active duty is uniformed service as defined by Title 10 U.S.C. and performed under Title 10 or Title 32 U.S.C.

FEHB Coverage – *Applicable December 28, 2002, and After*

<table>
<tr><th colspan="3">If employee is performing military service...</th><th colspan="5">Schedule is...</th></tr>
<tr><td rowspan="3">Under 32 U.S.C. (state) or under Title 10 U.S.C. (federal) but not in support of a qualifying contingency operation,</td><td rowspan="2">And does not use LWOP–interruption option,</td><td>And begins military service before Dec. 10, 2004,</td><td>For up to 365 days — employee shares premiums with USPS,</td><td>then</td><td>For up to 6 months — employee pays full premiums, plus 2%,</td><td>and then</td><td>Coverage is terminated.</td></tr>
<tr><td>And begins military service on or after Dec. 10, 2004,</td><td>For up to 365 days — employee shares premiums with USPS,</td><td>then</td><td>For up to 12 months — employee pays full premiums, plus 2%,</td><td>and then</td><td>Coverage is terminated.</td></tr>
<tr><td colspan="2">And uses LWOP–interruption option,</td><td>For up to 365 days — employee shares premiums with USPS,</td><td>then</td><td>For up to 365 days — employee shares premiums with USPS,</td><td>and then</td><td>May continue to use the LWOP– interruption option to initiate new coverage period, and employee shares premiums with USPS.</td></tr>
<tr><td rowspan="2">Under 10 U.S.C. (federal) and in support of a qualifying contingency operation,</td><td colspan="2">And does not use LWOP–interruption option,</td><td colspan="3">For up to 24 months — USPS pays full premiums,</td><td>and then</td><td>Coverage is terminated.</td></tr>
<tr><td colspan="2">And uses LWOP–interruption option,</td><td>For up to 365 days — USPS pays full premiums from its 24–month payment quota,</td><td>then</td><td>For up to 365 days — first USPS exhausts its 24–month payment quota</td><td>and then</td><td>May continue to use the LWOP– interruption option to initiate new coverage period, and employee shares premiums with USPS.</td></tr>
</table>

FEGLI Coverage

If employee is performing military service...	Schedule is...		
And **does not use** LWOP–interruption option,	For up to **12 months —** without cost to employee,	then	Coverage is **terminated**.
And **uses** LWOP–interruption option,	For up to **12 months —** without cost to employee,	then	May **continue** to use the LWOP–interruption option, with deductions for premium payment only for periods of paid leave, to initiate new coverage period **without cost** to the employee.