M-01538

LABOR RELATIONS

UNITED STATES POSTAL SERVICE

March 18, 2005

Mr. William H. Young
President
National Association of Letter
Carriers, AFL-CIO
100 Indiana Avenue, N.W.
Washington, DC 20001-2144

Dear Bill:

The Postal Service is implementing changes in the administration of Federal Employee Health Benefits Plan (FEHBP) and Federal Employees' Group Life Insurance (FEGLI) for career employees absent to perform active duty military service.

Civilian employees of the U.S. Postal Service who serve in the National Guard or Reserve and are called to active duty (voluntarily or involuntary) in support of a contingency operation as defined in Title 10 U.S.C. 101(a)(13), are eligible for full payment of FEHBP premiums by the Postal Service. Under Executive Order 12302 and 13223, the President has authorized the Department of Defense and the Department of Transportation to order any unit and any member of the Ready Reserve to active duty for not more than 24 consecutive months. The Postal Service will provide coverage up to that period of service.

Effective March 17, 2005, the Postal Service will pay the employee's share, in addition to the Postal Service's share, of the FEHBP premium for up to twenty-four months for covered, qualified career employees. This coverage is retroactive to December 28, 2002. The changes also provide for a Leave Without Pay (LWOP) Interruption Option that allows for the use of annual leave interrupt periods of LWOP to extend health benefit coverage.

Enclosed is a copy of the final draft of the new Management Instruction providing implementation instructions for the field that will provide you with the details of this support initiative. You will receive a copy of the published document.

These changes are made pursuant to new federal guidance on the extension of coverage, and are made in our continuing efforts to support our employees called to active military duty.

If you have any questions on this matter, please contact Charles Baker at (202) 268-3832.

Sincerely,

Doug A. Tulino
Manager
Labor Relations Policies and Programs

Enclosure

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WASHINGTON DC 20260-4100
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UNITED STATES POSTAL SERVICE

Management Instruction

Date	December 16, 2005
Effective	September 12, 2005
Number	EL-520-2005-1
Obsoletes	N/A
Unit	Compensation

Tony Vegliante
Executive Vice President
Chief Human Resources Officer

Health Benefits and Life Insurance Coverage During Military Service

This management instruction 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 is implementing 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.

This document issues new 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. The following changes are discussed in detail:

1. 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 an employee is 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.
2. Career employees activated for military service but not eligible for the 24-month full premium payment benefit continue to share premium payments with the Postal Service for the first 365 days of their military service and may choose to continue coverage,

paying the full premium cost plus a 2 percent administrative fee, either for 6 months or, if they begin their military service on or after December 10, 2004, for 12 months.

3. 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.

4. Employees should wait to pay any invoices due the Postal Service for health benefits premiums until they return from military duty. The amount owed will be based on the documentation of eligibility presented at that time, and to the extent possible, will be deducted from pay on a pretax basis, thereby reducing the out-of-pocket cost.

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.

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.

1. **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 the *Use of the LWOP-Interruption Option* section (see 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 subsequently to this instruction.

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

- Army National Guard.
- Army Reserve.
- Naval Reserve.
- Marine Corps Reserve.
- Air National Guard.
- Air Force Reserve.
- Coast Guard Reserve.

2. **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 cancel coverage or elect additional coverage at full cost plus a 2 percent administrative fee, either for up to 6 months or, if they begin their military service on or after December 10, 2004, for up to 12 months.

   Coverage is terminated after a maximum of 18 or 24 months, as applicable, except as described in the section that follows below, *Use of the LWOP-Interruption Option*.

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

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 the *Use of the LWOP-Interruption Option* section below.

Extension of Coverage

Use of the LWOP-Interruption Option

Based on guidance recently issued by the Office of Personnel Management (OPM) at the request of the Postal Service, employees called to active duty military service have a way to 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 previously in *Premium Payment and Coverage Eligibility.*)

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 as little as 1 hour 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.

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 each fiscal year and can carry over up to 15 days to the next 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 will not be included, and the deposit amount will be reduced accordingly.

Premium Payment Changes

For employees who **use the LWOP-interruption option** described above, changes occur in premium payments, as follows:

- FEHB premiums are charged as follows:
  - Employees **not qualified** for 24-month full premium payment by the Postal Service pay the employee portion of the premiums and the Postal Service pays the balance, continuing as long as these employees use the LWOP-interruption option.
  - Employees **qualified** for 24-month full premium payment by the Postal Service pay the employee portion of the premiums and the Postal Service pays the balance, beginning after the 24-month period and continuing as long as these employees use the LWOP-interruption option.
- 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,* and qualified employees must also have been on active duty continuously for 30 days to be eligible for full payment of premiums by the Postal Service.

FEGLI coverage does not start a new coverage period 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 their local personnel office 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 Forms 214** 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, provided further documentation indicates that the award was for providing support for one of the specified contingency operations.

If the military orders or the DD Forms 214 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, invoices are sent for the employee share of the payments for the first 365 days and thereafter for 102 percent of the premium payment for periods of additional coverage elected for up to 6 or 12 months, as applicable. New or adjusted invoices are issued as needed.

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

Employees killed in the line of duty 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:

- Although all employees serving on active military duty may receive invoices for FEHB premiums while they are absent, it is strongly recommended that they 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 local personnel office as soon as they return to a duty 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 local personnel office 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 pre-tax 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 pre-tax pay deductions (rather than sending a check to satisfy accounts receivable, for example) and thus reduce out-of-pocket costs.
- 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 will be deducted from their salaries. In addition, if there are sufficient monies available, the premium for the current pay period will be deducted from the employee's pay. When an accounts receivable account has been created for unpaid

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.

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 pre-tax 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 local personnel office 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

- Also notifies the personnel office of employee's absence when he or she goes on LWOP for active military service to ensure that military LWOP is correctly recorded.

Personnel Office

- Upon notification by the employee that he or she has been ordered to active military duty, notifies the employee concerning benefit and eligibility requirements (see 31A, accessible through Standard Operating Procedure (SOP) 31, *Processing an Action Due to Entry into Active Military Duty LWOP (NOA 460)*, at *http://blue.usps.gov/hrisp/comp/sops/sop31.htm)*.
- 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 cancel FEHB coverage, completes an SF Form 2810, *Notice of Change in Health Benefits Enrollment,* terminating coverage and files the original PS Form 3111 or correspondence electing to cancel coverage and a copy of the SF Form 2810 in the employee's office personnel folder (OPF).
- If the employee elects to continue FEHB coverage, 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 personnel office of his or her election by any type of correspondence within 31 days, 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.

- 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 "U". (For more information reference CMS Update 2001-41, dated September 27, 2001.)
- Completes preliminary information on an FEHB Military Worksheet (see 31B, accessible through SOP 31, at *http://blue.usps.gov/hrisp/comp/sops/sop31.htm)* with information available at that time and keeps one copy on file for when the employee returns to duty.

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.

Personnel Office

- When an employee whose health benefits are to remain in force while he or she is absent to perform military service shows up on report AANO15P1, prepares a letter (see 31C, accessible through SOP 31, at *http://blue.usps.gov/hrisp/comp/sops/sop31.htm)* advising the employee of the approach of the 365th day of coverage, by which time the employee must make some elections: (a) if not qualified for the 24-month premium payment benefit, the employee can continue coverage for up to 6 months or, if the employee began military service on or after December 10, 2004, for up to 12 months; (b) whether or not qualified for the 24 month premium payment benefit, the employee can begin using the LWOP-interruption option to extend LWOP and thus coverage; or (c) the employee can cancel coverage (at this point or at any other time). This letter, with a second PS Form 3111 attached (i.e., 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 certified mail — Return Receipt service requested.

  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 cancel FEHB coverage, notifies the FEHB Military Processing Office at the Eagan ASC, 651-406-1660, to complete an SF Form 2810 terminating coverage and files the original of this second PS Form 3111 or correspondence electing to cancel coverage and, when it is received, a copy of the SF Form 2810 in the employee's OPF.

  - If the employee elects to continue FEHB coverage, 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, checks the employee leave balance in DDE; if the employee has sufficient leave, coordinates with the local payroll/timekeeping office to begin to credit the employee with minimal leave in accordance with the employee's request; and files the original of this second PS Form 3111 or 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 personnel office 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.

- When an employee whose health benefits are to remain in force while he or she is on military leave shows up on report AANO15P1 "Employees in LWOP status in excess of 21 pay periods," contacts the FEHB Military Processing Office at the Eagan ASC, 651-406-1660.

After an employee returns . . .

Employee

- Provides his or her local personnel office copies of 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 personnel ***all*** copies of ***all*** orders for activation covering that period.)

  Note: **It is very important for the employee to submit the necessary information to the local personnel office 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 pre-tax basis. Even if time has elapsed, however, an employee may provide the necessary information and, if qualified, receive a retroactive refund.

Supervisor or Postmaster

- Also notifies the local personnel office when an employee returns to duty from military LWOP to ensure proper recording of the employee's return to duty.

Personnel Office

- Processes PS Form 50 with an NOA Code 292, Return to Duty, to remove the status of "LW" and the Special Benefit Code of "U."

- Ensures that NOA 460 and 292 have been processed. (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 duty date.
- 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 duty 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 PS Form 3111 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.

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Attachment

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

The table below details how the 24-month premium payment benefit, the 24-month coverage eligibility benefit, and the LWOP-interruption option 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: Shaded cells show circumstances under which changes are implemented.

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

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

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.

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