



UNITED STATES
POSTAL SERVICE®

Compensation, Relocation Benefits and Reinstatement Policies for Career Employees in Transition: Q's and A's

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Note: This brochure is intended only as an overview of compensation, relocation benefits, and reinstatement policies for career employees. Policies and regulations governing these programs are provided in various Postal Service manuals and handbooks. Several of these programs are governed by federal law and specific regulations issued by the U.S. Office of Personnel Management. Finally, the scope and level of benefits provided by many of these programs are subject to the collective bargaining process and are defined in the applicable collective bargaining agreement.

Introduction

To meet the demands of an ever-changing marketplace, corporations periodically make changes to their organizations. These organizational changes are part of the normal life cycle of a business. Organizational changes that eliminate work can result in the need for fewer authorized positions, the elimination of organizations, or the closing of facilities. When these kinds of changes occur, they may affect you and your family both financially and personally.

The response of the Postal Service™ to marketplace demands is reflected in its comprehensive Transformation Plan. The Plan specifies goals for enabling the Postal Service to successfully carry out its long-standing mission of providing affordable universal service and to prepare the organization for the challenges of change in a dynamic marketplace. The Postal Service recognizes the contribution you have made to achieve these goals and is committed to making your transition as smooth as possible.

The information in this publication provides an overview of the benefits you may be entitled to whether you stay with the Postal Service or are faced with an involuntary separation. The questions and answers throughout the publication provide an overview of the various compensation and benefit programs available to career Postal Service employees. Additional information is always available from your personnel office.

Change to a Lower-Level Position

1 As a nonbargaining employee, what happens to my grade and salary if I voluntarily elect to change to a lower level position?

When the Postal Service activates its reduction in force (RIF) avoidance procedures, if you are voluntarily placed into a lower-grade position, your current grade will be reduced to the grade of the lower-level position immediately. However, you will be eligible for 2 years of protected salary.

2 What is protected salary for nonbargaining employees?

Protected salary provides that if your current salary does not fall into the salary range of the lower-level position, you are eligible to retain your current salary for a period not to exceed 2 years (104 weeks). During this 2-year period, you may receive merit lump sum payments and variable pay amounts based on your protected salary and the policies applicable to employees at or above the maximum salary of their grade.

If at the end of the 2-year period your protected salary is still above the maximum of the lower-grade position, your salary will be reduced to the maximum salary for the lower-grade position.

3 What salary protection is available for bargaining unit employees?

Bargaining unit employees who voluntarily decide to accept lower-level positions do not receive rate protection. They are paid according to the grade and step of the job slot, as determined at any point in time by the salary schedule in effect. Bargaining unit employees involuntarily placed into a lower-grade position receive protected rate compensation protection. *Protected rate* means that the employee continues to receive at least the wage that he or she received in the former higher grade position, for a period not to exceed 2 years, supplemented by general

increases and cost-of-living increases (where applicable). Specific eligibility criteria must be satisfied for an employee to receive protected rate special pay status. For further information, see the *Employee and Labor Relations Manual*, section 421.512.

Severance Pay and Discontinued Service Annuity

4 Will I be entitled to severance pay or a discontinued service annuity?

General limitations. If you voluntarily resign from the Postal Service, you are not entitled to severance pay or a discontinued service annuity, except as specified under “Discontinued Service Annuity.” Further, an employee in no instance is entitled to both severance pay and a discontinued service annuity. If you are eligible for a discontinued service annuity, you are automatically disqualified from receiving severance pay.

Nonbargaining Employees. If you are a nonbargaining employee, you may be entitled to severance pay or a discontinued service annuity if you receive an involuntary separation notice due to either of the following:

- (1) You lost your job as a result of a reduction in force (RIF).
- (2) You declined a directed reassignment outside your commuting area.

Note: If you voluntarily resign before the effective date in the involuntary separation notice, you retain eligibility for severance pay or discontinued service retirement.

Bargaining Employees. If you are a bargaining employee, you may be entitled to severance pay or a discontinued service annuity if, you receive an involuntary reassignment under the terms of your collective bargaining agreement to a position outside your commuting area and you elect to do either of the following:

- a. Voluntarily resign before the effective date of your involuntary reassignment, or
- b. Decline the involuntary assignment and receive an involuntary separation notice from the Postal Service.

Additional eligibility requirements for severance pay and a discontinued service annuity are provided in the paragraphs that follow.

Severance Pay. If you have been employed continuously by the Postal Service or another federal agency as a civilian for at least 12 consecutive months immediately before your separation, you are eligible for severance pay, unless one of the following applies:

- a. You are immediately eligible for a retirement annuity (including a discontinued service annuity).
- b. You are offered and decline a position of like seniority, tenure, and pay with the Postal Service or another federal agency.
- c. You are receiving compensation at the time of separation as a beneficiary of the Federal Employees Compensation Act (Injury Compensation), unless you are receiving this compensation concurrently with Postal Service pay. In such cases, severance pay is based on the Postal Service pay only.
- d. You are separated because you entered military service.
- e. You are separated for cause on charges of misconduct, delinquency, or inefficiency.

If you are found eligible, a severance pay fund is established for you. The amount of the fund is based on 1 week of basic salary for each year of creditable service up to 10 years, plus 2 weeks of basic salary for each year of creditable service in excess of 10 years.

Each 3-month period of service that exceeds 1 or more full years of service is computed as 25 percent of a full year. The basic severance pay allowance is increased by 10 percent for each year your age exceeds 40 years at the

time of separation. In no instance, however, can your total severance pay fund exceed 52 weeks of your basic salary.

You receive severance pay on a pay period basis in the amount of 2 times your basic weekly salary, less withholdings, until the severance pay fund is exhausted or you are re-employed by the Postal Service or another federal agency.

Discontinued Service Annuity. If you meet all of the following conditions, as required by the Office of Personnel Management (OPM), you may be eligible for an immediate, possibly reduced, discontinued service annuity:

- a. **Minimum Age and Service Requirements.** You must be either at least age 50 with at least 20 years of creditable service or any age with at least 25 years of creditable service as of the effective date of the involuntary separation. Creditable service must include at least 5 years of civilian service. Accrued and unused annual leave or donated leave may be used to meet either the age or service requirements to qualify for a discontinued service retirement. Employees would be placed on approved annual leave beyond the effective date in the involuntary separation notice using leave only to the extent needed to satisfy the above age or service years requirement. Any remaining annual leave balance will be paid in a terminal leave payment.

Note: You may not use sick leave to meet the requirements mentioned in item a.

- b. **Separation From Covered Position.** You must be separated from a position that is covered by the Civil Service Retirement System (CSRS), CSRS Offset, or the Federal Employees Retirement System (FERS).
- c. **One Out of Two Requirements Under CSRS.** If you are covered by CSRS or CSRS Offset, you must have been subject to retirement contributions for at least 1 year within the 2-year period immediately preceding the separation upon which the annuity is based. The 1 year of service does not have to be continuous. This

requirement does not apply if you are covered by FERS.

- d. **Reasonable Offer.** If you refuse a reasonable offer of another position, you will not qualify for a discontinued service annuity. For discontinued service annuity purposes, a job offer is considered a reasonable offer if these three requirements are met:
- (1) The offer is made in writing.
 - (2) You meet the qualifications for the position being offered.
 - (3) The position offered is:
 - Within your local commuting area.
 - Of the same tenure group (e.g., career versus noncareer).
 - Within the same work schedule (e.g., full-time versus part-time).
 - Not more than the equivalent of two grade or pay levels below your current grade or pay level.
- e. **Annuity Amount.** If you are a CSRS or CSRS Offset employee, your annuity will be computed using voluntary optional retirement annuity calculations based on total creditable years and months of service and average “high 3” salary. Then, if you are under age 55, your annuity will be reduced at the rate of 2 percent a year, or by 1/6 of 1 percent for each full month that you are under age 55. This reduction is permanent — your annuity will not be recomputed at age 55. If you have a life-threatening affliction or other critical medical condition (as defined in Code of Federal Regulations, 5 CFR 831.2207), you may be eligible to elect the alternative form of annuity that provides for both an annuity and a lump sum payment of your retirement contributions.

If you are a FERS employee, there is no reduction in your annuity if you retire under the age of 55. However, if a portion of your annuity is based on a

benefit that you accrued and retain under CSRS frozen service that portion of your annuity is subject to the reduction mentioned above for CSRS and CSRS Offset employees.

5 Is it better to apply for a voluntary optional retirement or a discontinued service annuity?

First, you must qualify for a voluntary optional retirement.

If you are a CSRS or CSRS Offset employee, you must meet one of the following age and service requirements:

- a. Age 55 with at least 30 years of service.
- b. Age 60 with at least 20 years of service.
- c. Age 62 with at least 5 years of service.

You must also meet the “one out of two requirement explained in question 4 under Discontinued Service Annuity.

If you are a FERS employee, for an immediate **unreduced** annuity, you must meet one of the following age and service requirements.

- a. Minimum retirement age (MRA) with 30 years of service (see Exhibit 5, Minimum Retirement Age).
- b. Age 60 with at least 20 years of service.
- c. Age 62 with at least 5 years of service.

For an immediate **reduced** annuity, you must have reached the MRA with at least 10 years of service.

Exhibit 5
Minimum Retirement Age

If you were born...	Your MRA is...
Before 1948	55 years
In 1948	55 years and 2 months
In 1949	55 years and 4 months
In 1950	55 years and 6 months
In 1951	55 years and 8 months
In 1952	55 years and 10 months
In 1953 through 1964	56 years
In 1965	56 years and 2 months
In 1966	56 years and 4 months
In 1967	56 years and 6 months
In 1968	56 years and 8 months
In 1969	56 years and 10 months
In 1970 and after	57 years

Note: For any retirement, at least 5 years of the creditable service required to qualify must be civilian years of service.

Your choice between a voluntary optional retirement and a discontinued service annuity may depend on whether you are interested in being reemployed by the Postal Service or another federal agency.

If you are CSRS or CSRS Offset and receiving a discontinued service annuity, upon reemployment to a position subject to a federal retirement system, your annuity will be terminated. You will then be required to reestablish your entitlement to future retirement benefits by meeting the age and service requirements and the “one out of two” requirement as stated in question 4 under Discontinued Service Annuity. On the other hand, if you are receiving a voluntary optional retirement and you are subsequently reemployed into a career or noncareer position, you are considered a re-employed annuitant and your annuity will continue and your salary will be offset by the amount of your annuity.

If you are a FERS employee, a return to federal service (career or noncareer) requires your salary to be offset by

the amount of your annuity, and the annuity will continue. This applies to both discontinued service annuity and voluntary optional retirement.

6 **If I am not eligible for retirement, what other options do I have?**

If you do not meet the requirements for a discontinued service annuity or a voluntary optional retirement, you may apply for a refund of your retirement contributions in a lump sum payment or leave your retirement contributions in the retirement fund and apply for a deferred annuity at a later date.

Note: Deferred annuity requires at least 5 years of creditable civilian service as of the date of separation or earned in future appointments.

A CSRS or CSRS Offset employee must be at least age 62 and have at least 5 years of creditable civilian service. If the current period of career service does not meet the 1-out-of-2-year rule, as explained in question 4 under Discontinued Service Annuity, the current period will not be included in creditable years of service for annuity purposes.

A FERS employee may begin to receive annuity at any point where the age and years of service as described in question 5 are attained. For example, if an employee has acquired 20 years of service but is under age 60 at the time of separation, a deferred retirement can begin at age 60 with no reduction.

Health Insurance

7 **Can I continue my health insurance coverage into retirement?**

If you are eligible for an optional voluntary early retirement or a discontinued service retirement (see questions 4 and 5), you are eligible to continue your health insurance into retirement if you have been **enrolled** or **covered as a**

family member in the Federal Employees Health Benefits (FEHB) Program for either of the following periods:

- a. Continuously for the 5 years of service immediately preceding the commencing date of your annuity.
- b. For the full period(s) of service since your first opportunity to enroll (even if you changed plans or options several times).

For those retirements that are effective following an involuntary separation notice (e.g., RIF or decline of a reassignment outside of commuting area), accrued and unused annual leave or donated leave may be used to meet the 5-year requirement to continue health insurance. Employees remain on the rolls beyond the effective date of the involuntary separation, using leave only to the extent needed to satisfy the 5-year requirement. Any remaining leave balance will be paid in a terminal leave payment. Sick leave may not be used to meet the requirements for voluntary optional retirement or discontinued service annuity.

Enrollees who fail to satisfy the 5-year enrollment requirement due to exceptional circumstances may submit a request for waiver including supporting evidence to OPM. Based on the evidence submitted, OPM will determine whether or not to waive the participation requirement and allow FEHB coverage to be continued into retirement.

If you are eligible for a FERS annuity under the “minimum retirement age and 10 years of service” provision **at the time of separation** (see question 5) but elect to postpone your annuity to lessen the annuity reductions, you may choose to resume your health insurance coverage on the date your annuity begins provided you are otherwise eligible for FEHB continuation of coverage. During the postponed retirement period, you may convert to a nongroup contract (individual policy) as described in question 9 below.

8

If I am not eligible for retirement benefits, will my health insurance coverage terminate upon separation?

If you are not eligible for a voluntary optional retirement or a discontinued service annuity, your health insurance coverage will terminate following an automatic 31-day temporary extension of coverage. Your health insurance enrollment will terminate on the last day of the pay period in which you are separated from the Postal Service. The 31-day temporary extension of coverage will begin the day after the regular coverage ends. However, if you are confined in a hospital on the 31st day of the temporary extension of coverage, benefits will continue during confinement up to a maximum of 60 more days. These temporary extensions of coverage are without cost to you and also apply to all covered family members.

9

Do I have any other options to continue my health insurance coverage?

Yes, you will receive from the personnel office notification that your group health insurance coverage will terminate. You will also receive information concerning the two options available to you for continuing your health insurance coverage beyond the 31-day temporary extension. You have the following two options:

- (1) Converting to a nongroup contract (individual policy) by the carrier of the plan you are enrolled in at the time of your separation.
- (2) Electing 18 months of coverage under the Temporary Continuation of Coverage (TCC) provision of the FEHB Program.

10

How do I convert my health insurance coverage to a nongroup contract?

You must send a written request to the plan carrier within 91 days after your enrollment ends or 31 days after the date the termination notice was signed by an official at your personnel office, whichever is the earlier date. The plan carrier will then send you an application form and cost information about the nongroup coverage. You will be

responsible for paying the total premium cost for this coverage.

11 How do I elect temporary continuation of coverage (TCC)?

You must complete and submit Standard Form (SF) 2809, *Health Benefits Registration Form*, to your personnel office within 60 days after (1) the date of separation or (2) the date you received notification from your personnel office advising you of the options available for continuing your health insurance coverage, whichever date is later.

12 What plan choices do I have under TCC?

You may choose any FEHB plan, option, or type of coverage that you are eligible to select. A list of participating plans and corresponding monthly premium rates is provided in Booklet RI 70-5, *FEHB Guide for Individuals Eligible to Enroll for Temporary Continuation of Coverage Under the Spouse Equity Law or Similar Statutes*, which is available from your personnel office. If you elect TCC, you will be responsible for the full premium cost plus a 2 percent administrative surcharge.

13 If I elect one of the two options available for continuing my health insurance coverage, when is coverage effective?

The effective date of coverage for both options is the day after the expiration of the 31-day temporary extension. When TCC expires after 18 months, you will be entitled to a free 31-day temporary extension of coverage for the purposes of converting to a nongroup contract (individual policy) with the plan.

Life Insurance

14 Can I continue my life insurance coverage into retirement?

If you are eligible for a voluntary optional retirement or a discontinued service annuity and you have been enrolled in the Federal Employees Group Life Insurance (FEGLI) Program for at least 5 years or since your first opportunity to elect it, you are eligible to continue your life insurance coverage into retirement. The “5-year or first opportunity” requirement applies **separately** to Basic coverage and to each individual option (i.e., Option A-Standard, Option B-Additional, and Option C-Family).

15 If I am not eligible for retirement benefits, will my life insurance coverage terminate upon separation?

Your life insurance coverage will terminate following an automatic 31-day temporary extension.

16 Do I have any other options to continue my life insurance coverage?

Yes, following your separation, your personnel office issues SF 2819, *Notice of Conversion Privilege*. Personnel advises you that your group life insurance coverage will terminate and provides information concerning your right to convert to an individual direct-pay policy, provided you have not assigned your FEGLI coverage to another party. If you have assigned your life insurance coverage, only the assignees may convert the insurance coverage.

17 How do I convert my life insurance to a nongroup contract?

If eligible, you must complete the appropriate eligibility statement on the SF 2819 and mail it to the following address:

OFFICE OF FEDERAL EMPLOYEES
GROUP LIFE INSURANCE
200 PARK AVENUE
NEW YORK NY 10166-0188

You must mail your eligibility statement within 31 days after (1) the date of separation or (2) the date you received notification from your personnel office advising you of your conversion right, whichever is later. An individual policy will not include disability or accidental death or dismemberment benefits.

18 How much will a nongroup life insurance contract cost?

The premiums for a nongroup life insurance contract will be determined by the type and amount of the coverage and your age and class of risk on the day following termination of your group coverage. You will be responsible for the total premium cost associated with the nongroup life insurance contract.

19 If I elect to convert to a nongroup life insurance contract, when will coverage begin?

If you elect to convert to a nongroup life insurance contract, coverage and premium payments will be effective retroactive to the day after the 31-day temporary extension ended. Any insurance policy purchased under the conversion privilege is a private business transaction between the individual and the insurance company.

Leave

20 If I separate from the Postal Service, what happens to my earned and unused annual leave?

If you are a bargaining employee and have completed your 90-day probationary period, you may be eligible for a lump sum payment for the balance of your **earned** and unused annual leave (including any unused donated leave) up to your annual leave carryover limit at the time of separation.

If you are a nonbargaining employee, you may be eligible for a lump sum payment for your **earned** and unused annual leave up to your annual leave carryover limit plus any annual leave earned and unused in the current year as well as any unused donated leave.

21 What happens to my accumulated sick leave balance?

No payments are made for accumulated sick leave.

22 Is my accumulated sick leave treated differently for retirement purposes?

If you retire on a voluntary optional retirement or a discontinued service annuity under CSRS, you can receive additional service credit towards your retirement or survivor annuity. If you retire under FERS, your sick leave is not credited toward additional service credit for annuity computation purposes, unless you transferred to FERS from CSRS and your annuity has a CSRS component. In these situations, you can receive additional service credit based on the sick leave balance you accrued at the time you transferred to FERS or your sick leave balance at the time of your retirement, whichever is less.

23 What if I am indebted to the Postal Service for unearned annual or sick leave?

If you have used leave that was advanced to you without your having yet earned it, you must repay the Postal Service for those advanced leave hours. The repayment amount will be deducted from any monies that you are due upon your separation, or, if the amount due you is insufficient to cover the debt, an invoice will be issued.

Thrift Savings Plan

24 **May I continue to participate in the Thrift Savings Plan?**

Following your separation, you are not eligible to make additional contributions to or borrow money from your Thrift Savings Plan (TSP) account. However, you may continue to reallocate money in your TSP account among the various investment choices [e.g., Government Securities Investment (G) Fund, Common Stock Index Investment (C) Fund.]

25 **Will I receive any information concerning my TSP withdrawal options?**

Yes, at the time of your separation, your local personnel office will provide a TSP withdrawal package that includes the booklet, *Withdrawing Your TSP Account*, necessary forms, and a notice on tax information.

26 **As a FERS employee, am I vested in the agency automatic (1 percent) contributions made by the Postal Service to my TSP account?**

If you have at least 3 years of federal civilian service and/or military service covered by USERRA, you are considered vested in the agency automatic (1 percent) contributions and the earnings on those contributions.

If you do not have the required 3 years of service to meet the vesting requirement, those contributions and the earnings on them will be removed from your account and forfeited to the TSP. You are always vested in your own contributions, agency matching contributions, and the earnings on them.

27 **I only have a small amount in my TSP account. Do I have any options concerning these monies?**

If your account balance is \$200 or less upon your separation, you are subject to the TSP automatic cashout procedures. TSP will automatically pay your vested account balance directly to you unless you make another

withdrawal election or elect to leave your money in the TSP. If you want to receive an automatic payment, you do not need to submit any withdrawal forms to TSP. On the other hand, if you want to keep your money in the TSP or have TSP transfer all or part of your payment to an Individual Retirement Account (IRA) or another qualified plan, you must promptly return the appropriate forms included with your cashout notice received from TSP. Of course, you also have the options of electing another withdrawal option by submitting the Form TSP-70, *TSP Request for Withdrawal*, which is included in the withdrawal package provided to you by your local personnel office.

28 **Whom do I contact if I have questions concerning my TSP account?**

Following your separation, you must contact the TSP Service Office for assistance with TSP questions. It is extremely important to advise the TSP Service Office of any changes in your address. A change of address form is included in the withdrawal package sent to you by your personnel office. The TSP Service Office can be contacted at the following address and telephone numbers:

THRIFT SAVINGS PLAN SERVICE OFFICE
NATIONAL FINANCE CENTER
PO BOX 61500
NEW ORLEANS LA 70161-1500

TELEPHONE: 504-255-6000
TDD: 504-255-5113

29 **May I withdraw funds from my TSP account?**

Upon your separation, you are eligible to withdraw funds from your TSP account. Funds may be withdrawn immediately or left in TSP and withdrawn at a future date.

30 **What TSP withdrawal options do I have available?**

After you separate, you can make a one-time partial withdrawal (if you have not made an age-based in-service

withdrawal). In addition, you can use any combination of withdrawal options including single payment, monthly payments, or a life annuity. You may also transfer all or part of a single payment or certain types of monthly payments to an IRA or other qualified plan. An election of a withdrawal option may be changed to a different option only before funds are paid out. There are two exceptions: (1) after a series of monthly payments has begun, it is possible to elect a single final payment, and (2) once a year, you can change the monthly fixed dollar amount you are receiving.

31 How long will it take to withdraw funds from my TSP account?

Generally, the TSP Service Office advises individuals that disbursement of funds may take up to 2 months following separation and receipt of properly completed forms. An employee must be separated from employment for 31 or more full calendar days before funds can be withdrawn. In addition, before a withdrawal can be processed, the TSP Service Office must receive a code indicating separation status. This code is automatically generated by the Postal Service and transmitted electronically to the TSP Service Office.

The TSP Service Office makes withdrawal payments once each month, about mid-month. If a participant's account is invested only in the G Fund, then a withdrawal election simply needs to be received in time for it to be processed on the mid-month payment date. However, if an account is invested in either the C or F Fund, then a withdrawal election must be received sooner. The withdrawal election must be received in time to be processed on the next-to-last business day of the month for a withdrawal to be processed on the following month's mid-month payment cycle. Finally, if a participant has an outstanding loan, this will delay payment. (Before a withdrawal can be processed, either the loan must be repaid or the TSP Service Office must declare a taxable distribution.)

32 What tax consequences should I consider when withdrawing from my TSP account?

All contributions to TSP and the earnings on these contributions are tax-deferred and, therefore, are considered as taxable income upon withdrawal. For this reason, it is important that you understand the tax consequences of each withdrawal option. You should carefully review the tax information provided in the withdrawal package.

33 Can I transfer my TSP funds directly to an IRA or another qualified plan?

Yes, when you transfer TSP funds directly to an IRA or another qualified plan, the funds are not taxed upon transfer. The funds will be taxed when you withdraw them from the IRA or another qualifying plan.

34 Are there any unique taxes that I should be aware of when I consider withdrawing my TSP funds?

If you are separated before the year in which you turn age 55 and withdraw funds from your TSP account, you may be subject to a 10 percent early withdrawal penalty tax on all amounts withdrawn before age 59½. This penalty tax applies if the withdrawal option selected is either a single payment or a series of monthly payments not based upon the Internal Revenue Service (IRS) life expectancy table. The penalty tax does not apply if you transfer your TSP funds directly to an IRA or other qualified plan, receive an annuity, or receive a series of monthly payments based upon IRS life expectancy tables.

35 What can I do to alleviate the tax burden if I withdraw all my TSP funds during 1 tax year?

If you receive your entire TSP account balance in 1 tax year, you may be able to use the 5-year or 10-year tax option to reduce your tax liability. Review the TSP notice on tax information provided to you upon separation.

36

Does my spouse have any rights concerning how I withdraw my TSP funds?

Your spouse does have certain rights when the value of your TSP account exceeds \$3,500. If you are covered by the FERS, your spouse has a right for the withdrawal option to be a certain type of joint life annuity. Before the TSP Service Office will process any other withdrawal option, your spouse must sign the waiver on the TSP withdrawal form. If you are covered by the CSRS, your spouse is entitled to be notified by the TSP Service Office of the withdrawal option you elect. There are cases when exceptions can be made, such as when the spouse's whereabouts are unknown or when certain other exceptional circumstances exist.

Flexible Spending Account

37

Can I continue to participate in the Flexible Spending Account Program?

You can continue to request reimbursement from your flexible spending accounts (FSAs) only for the expenses of eligible services received up to and including your date of separation. You may receive reimbursement for up to the full annual contribution amount for the health care FSA and up to the account balance for the dependent care FSA. Any services received after the date of separation are not eligible for reimbursement. However, the deadline for submitting a withdrawal request does not change. Claims will be processed provided they are received by the FSA Customer Service Center by September 30 of the year following the year of program participation.

You must pay contributions to your flexible spending accounts to equal the abbreviated coverage period. For example, if you elected to contribute \$2,600 to the health care FSA (at \$100 per pay period) and you separate after 10 pay periods, you must pay for the 10 pay periods (\$1,000), not the full 26 pay periods.

Relocation Benefits

38 As a nonbargaining employee, if I am reassigned to another position or I am successful in obtaining another position competitively, to what relocation benefits am I entitled?

If your new position meets the 50-mile rule as defined by IRS regulations (see exhibit 40A), you are entitled to relocation benefits applicable to nonbargaining employees. Please note that if the distance test result is less than 100 miles, you are to move at least half the distance to qualify for relocation. See exhibit 40B for an overview of relocation benefits available.

39 If I obtain the position noncompetitively, to what relocation benefits am I entitled?

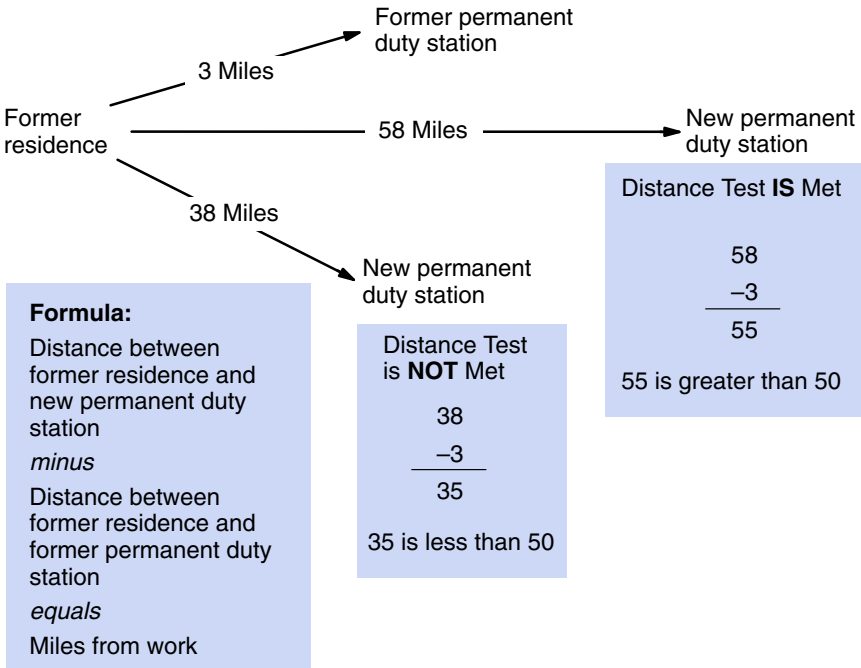
If the position is obtained noncompetitively, relocation benefits are available only if management certifies that the move is primarily in the best interests of the Postal Service and not primarily for your convenience or benefit. The 50-mile rule has to be met and if the distance test result is less than 100 miles, you are to move at least half the distance.

40 As a bargaining employee, if I am reassigned to another position outside my commuting area under the terms of my collective bargaining agreement, am I entitled to relocation benefits?

Yes, if your reassignment is involuntary and falls under the provisions of Article 12, and your new position meets the 50-mile rule as defined by IRS regulations (see exhibit 40A) you are entitled to relocation benefits in accordance with Article 12 of the applicable collective bargaining agreement. For an overview, see exhibit 40B that shows relocation benefits available to bargaining employees.

Distance – The “50-Mile Rule”

To qualify for relocation benefits, your new permanent duty station must be at least 50 miles farther from your former residence than your former permanent duty station was from your former residence. This is known as the “50-mile rule.” See the illustration and formula below to determine how the rule works.



Note: If the distance test result is less than 100 miles, you are to move at least half the distance.

Exception to the Distance Requirement

If you are a newly appointed postmaster and the district manager or area vice president deem it necessary that you move to your new community, you do not have to comply with the 50-mile rule to qualify for relocation benefits. However, the approving official may reduce or disallow benefits for advance round trips and temporary quarters.

Note: Retirees do not need to comply with minimum miles because they have no new permanent duty station.

Exhibit 40B

Overview of Relocation Benefits for Bargaining and Nonbargaining Employees

Relocation Benefit	Bargaining Employees	Nonbargaining Employees
▪ Advance house hunting ¹	1 trip	Up to 3 trips
▪ Spouse on trip	Yes	Yes
▪ Dependent children on trip	No	Yes
▪ Return trips to old station	None	1 trip
▪ Miscellaneous expense allowance	\$300 (if married); \$150 (if single)	\$2,500
▪ En route expenses	Yes	Yes
▪ Movement and storage of household goods through the relocation management firm	Movement: Yes Storage: 60 days	Movement: Yes Storage: 60 days
▪ Temporary quarters ²	30 days	60 days
▪ Residence sell or buy transactions	Yes	Yes
▪ Relocation management firm (RMF) home purchase	No	Yes (nonbargaining EAS-19 and above)
▪ Reimbursable loan origination fee	No	Yes
▪ Equity loss consideration	No	Yes
▪ Grossing up	No	Yes
▪ Relocation leave	5 days	5 days

Notes:

1. Restriction on total number of days. Consult relocation management firm.
2. Nonexecutive employees are subject to a capped limit. Consult relocation management firm.

Unemployment Compensation

41 Can I apply for unemployment compensation?

Yes, any employee who is separated may apply for unemployment compensation. Your personnel office will provide you with Standard Form 8, *Notices to Federal Employees About Unemployment Insurance*. This form

explains the general eligibility requirements for unemployment compensation and the steps to file a claim for benefits.

Reinstatement

42 Does it matter whether I am voluntarily or involuntarily separated from the Postal Service in being considered for reinstatement at a later date?

No, provided your separation was not a removal action for cause or that you resigned after being notified that charges proposing removal would be, or had been, issued. You may be considered for reinstatement, provided you meet the qualification standards, including any required examinations, for the position for which you are requesting reinstatement. Depending on your status, you may also be subject to certain time limits that may restrict the period you are eligible for reinstatement.

43 What are the time limits for reinstatement to the Postal Service?

If you are entitled to veterans' preference or have completed the service requirements for career status (i.e., 3 years of substantially continuous creditable service), you may be reinstated without any time limit. If you do not meet either of these two conditions, you may be reinstated only within 3 years following the date of your separation.

44 If I am a nonbargaining employee separated as a result of a RIF, am I entitled to any priority consideration for reinstatement?

Yes, you can request that your name be entered on a reinstatement list (RL) by completing and submitting Form 999, *Application for Reinstatement List*. If you are found eligible to participate, you will be given priority consideration for reinstatement to the Postal Service for up to 2 years following the establishment of the RL.

45 How do I qualify for the reinstatement list?

You must submit your Form 999 (and pages 1 and 2 of Form 991, *Application for Reassignment or Promotion*) within 30 days following your RIF effective date. In addition, (1) you must be found minimally qualified for the positions identified on your Form 999; (2) your most current merit performance rating of record must be above unacceptable; (3) the positions must be authorized positions; and (4) the position grade levels must be equal to or below the grade of the position you held before your separation.

46 If my name is on the reinstatement list, will I be considered for positions nationwide?

No, you can only be considered for vacant positions within your reinstatement list area of consideration (RLAC). An RLAC covers an area that is approximately a 50-mile radius of your competitive area.

47 Will my name remain on the reinstatement list for the entire 2-year period?

Yes, unless you are disqualified or placed. You can be disqualified if you (a) request that your name be removed from the RL, (b) fail to respond to an employment inquiry from the Postal Service, (c) decline or fail to appear at an interview for a postal position, (d) decline a career appointment to a Postal Service position, or (e) fail to update your address or telephone number and this prevents reasonable contact with you concerning employment opportunities with the Postal Service. Your name will also be removed from further RL consideration if you subsequently accept a career appointment with the Postal Service or another federal agency.

48 Once I qualify to participate on the reinstatement list, what priority consideration will I be given?

Before a career nonbargaining vacancy is advertised either internally or externally within your RLAC, Human Resources will review the RL to determine whether or not any of the applicants on the list have been found minimally

qualified for the vacant position. If one or more applicants are identified, the selecting official is required to review pages 1 and 2 of the applicant's Form 991 and determine whether or not to consider the applicant further. If a decision is made to consider an applicant further, he or she can be considered on a competitive or noncompetitive basis.

Rehire or Transfer

49 What happens to my benefits and leave if I am separated and later rehired by the Postal Service or by a federal agency?

If you separate from the Postal Service as a career employee, have a break in service of 4 days or more, and are rehired as a career employee at the Postal Service or a federal agency, your benefits will be processed as stated in the following paragraphs.

Retirement

- a. If you were covered by CSRS, you will be covered by CSRS when you are rehired, provided that the break in service between the career appointments is not more than 365 days.
- b. If the break exceeds 365 days, you will become covered by CSRS Offset, with contributions to both CSRS and Social Security.
- c. If you were covered by CSRS Offset, you will be covered by CSRS Offset when you are rehired.
- d. If you were covered by FERS, you will be covered by FERS when you are rehired.

Note: If you were covered by either CSRS or CSRS Offset, when you are rehired (since your break in service between career appointments will have been more than 3 days), you will be offered an opportunity to transfer to FERS voluntarily.

Health Benefits. Your FEHB coverage ends at the end of the pay period in which you separate (subject to a temporary extension of coverage for 31 days). Upon being rehired, you will need to re-enroll to have health benefits coverage. This will *not* be an automatic re-enrollment. You will need to complete a new Standard Form 2809, *Employee Health Benefits Election Form*, within 60 days of being rehired.

Note: If you are rehired as a federal employee in another agency and do not return to the Postal Service, you will pay the higher federal contribution rate for premiums.

Life Insurance. For FEGLI, your coverage upon being rehired will depend upon the length of the break in service as follows:

- a. If you had *less than a 31-day break in service*, your life insurance coverage will remain the same when you are rehired. You will not have an opportunity to make a new election. Any previous valid designation of beneficiary will remain valid.
- b. If you had a *break in service from 31 to 179 days*, your life insurance coverage will automatically remain the same when you are rehired. However, any previous designation of beneficiary will be canceled (voided).
- c. If you had a *break in service of 180 days or more*, your life insurance coverage will automatically remain the same when you are rehired; however, you will have the option of making a new election within 31 days of being rehired. If you make a new election, you will need to complete a new SF 2817, *Life Insurance Election Form*.

Any previous waivers of insurance will be automatically cancelled, and you will be rehired with Basic life insurance coverage, with the option to choose Optional coverage within 31 days of being rehired. Any previous designation of beneficiary forms will be canceled (voided).

Note: If you are rehired as a federal employee in another agency and do not return to the Postal Service, you will pay for Basic coverage, which was fully paid by the Postal

Service. The optional insurance premium rates will be the same.

Thrift Savings Plan. If you had a break in service of 30 days or less and you were covered by FERS, CSRS, or CSRS Offset at the Postal Service and rehired into a Postal Service or other federal agency position covered by FERS, CSRS, or CSRS Offset, your TSP participation would continue. Agency automatic (1 percent) contributions and agency matching contributions would also continue for FERS employees. Also, if you had a TSP loan, your loan repayment would be required to continue.

If you had a break in service of 31 days or more before being rehired, then you will have a new 61-day period to elect to participate in the TSP.

Flexible Spending Accounts. If you are rehired by the Postal Service, you would be eligible for FSA participation only after completing 26 pay periods of career service. If you are rehired by a federal agency, the federal government offers its own separate FSA program.

Annual Leave. If you received a lump-sum payment for annual leave upon separation (see question 20) and subsequently you are rehired or reinstated before the period covered by the payment expires, you must refund in full the payment for the overlapping period. You are then recredited with the annual leave.

Sick Leave. If you are separated from the Postal Service for a reason other than retirement and subsequently you are rehired by the Postal Service, sick leave will be credited in accordance with regulations in effect at the time that you are rehired. Current policy is that Postal Service sick leave may be recredited upon rehire provided there is not a break in service in excess of 3 years.

If you are hired by another federal agency, your Postal Service sick leave balance may be credited in accordance to the federal regulation in effect at the time you are hired.

What happens to my benefits and leave if I transfer to a federal agency?

The term *transfer* applies if you separate from the Postal Service and within 3 days you are placed on the rolls of a federal agency. When placement is effective within 3 days, you are considered to have *no break in service*. See question 49 for information about what happens if you have a break in service of 4 days or more and you are *rehired* as a career employee at the Postal Service or a federal agency.

If you *transfer* from a career position at the Postal Service to a career position at a federal agency, your benefits and leave will be processed as follows:

Retirement. Your retirement plan coverage, whether under the CSRS, CSRS Offset, or FERS, will remain the same at the federal agency.

Health Benefits. Your FEHB coverage will be transferred to the federal agency and you will not have an opportunity to make a new election. You will pay the higher federal contribution rate for premiums.

Life Insurance. Your FEGLI coverage will be transferred to the federal agency. You will not have an opportunity to make a new election. Any proper designation of beneficiary will remain valid. As a federal employee, you will pay the cost for Basic coverage, which was fully paid by the Postal Service. The optional insurance premiums will be the same.

Thrift Savings Plan. Your TSP participation will continue without interruption, and you will not be eligible to change your election. This means that your TSP contributions (and agency automatic (1 percent) contributions and agency matching contributions for FERS employees) will continue. If you had not yet made your new hire election, your 61-day opportunity to participate will continue. You can not make a new TSP election until TSP open season. Also, if you had a TSP loan, your loan repayment will be required to continue.

Flexible Spending Accounts. The FSA program is specific to the Postal Service and you cannot continue it at a federal agency. If you are transferred to a federal agency, the rules of that program will apply.

Annual Leave. If you received a lump-sum payment for annual leave upon separation (see question 20) and you transfer to another federal agency before the period covered by the payment expires, you must refund in full the payment for the overlapping period *up to the maximum carryover allowed by the federal agency to which you transfer*. You are then recredited with the leave.

Sick Leave. Postal Service sick leave policies may differ from those at other federal agencies. Consult with the federal agency.

