



Department of the Navy
Human Resources Service Center

Information for New Employees

Congratulations on your new job. As a new employee you will have to make certain elections regarding your benefits. These elections are discussed below. If you have questions please call The Benefits Line at 1-888-320-2917 between 7:30 a.m. and 7:30 p.m. Monday through Friday EST and select option 2 to talk to a Customer Service Representative (CSR).

The mailing address of the HRSC that maintains your Official Personnel Folder (OPF) and provides service to you is:

HRSC Northwest
3230 Randall Way
Silverdale, WA 98383-7952

TTY number for hearing impaired: (360) 315-8065

SUMMARY OF ACTION REQUIRED BY YOU REGARDING YOUR BENEFITS

- If you want health insurance you must elect to enroll within 60 days of your appointment or you will not be covered. If you elect health insurance it is not effective until the beginning of the pay period after you make your election.
- You will automatically be enrolled in Basic life insurance. If you don't want any life insurance you must waive coverage.
- If you want the optional life insurance (Options A, B, or C) you must elect the coverage within 31 days of your appointment.
- If you want to participate in the Thrift Savings Plan (TSP) you must make an election within 60 days of your appointment.
- You must use the automated benefit systems to make your benefits elections: Employee Benefits Information System (EBIS) or The Benefits Line. Paper forms are not accepted.
- You will have 60 days from the date of your appointment to elect Federal Long Term Care Insurance using abbreviated underwriting procedures.

AUTOMATED BENEFIT SYSTEMS

The Department of Navy has two automated benefit systems that are available for making benefits elections. The Employee Benefits Information System (EBIS) is an internet system and The Benefits Line is an interactive voice response system that uses the telephone. In order to use these systems, you must be **processed** in the personnel system (already working at your new job).

EBIS

You can access EBIS at the Department of the Navy homepage at www.donhr.navy.mil/. Click on EBIS to get started. In order to access EBIS you must create a password and Personnel Identification Number (PIN). As a new user, you will need certain information from your Notification of Personnel Action form (SF-50). Data in block 8 (Pay Plan), block 10 (Grade/Level), block 11 (Step/Rate), and block 31 (Service Computation Date), are needed to set up your EBIS account.

If you do not have a SF-50, please call The Benefits Line at 1-888-320-2917. Select option 2 to talk to a CSR.

The Benefits Line.

You can also make benefit elections using The Benefits Line. The number for The Benefits Line is 1-888-320-2917. To log into The Benefits Line you will use your SSN and PIN. Your initial PIN is your month and year of birth (MMYY). If you created a PIN in EBIS, this same PIN is used to access The Benefits Line. When you use The Benefits Line to make a family health insurance election, you will need the assistance of a Benefit's CSR to enter family member names, therefore, you should call The Benefits Line between the hours of 7:30 a.m. and 7:30 p.m. (EST). You can make life insurance and TSP elections without the assistance of a CSR.

FEDERAL EMPLOYEES HEALTH BENEFITS (FEHB)

You Must Elect Health Insurance To Be Covered. You must make an election to enroll in health insurance within 60 days of the beginning of your appointment. The Office of Personnel Management (OPM) Publication RI 70-1, Guide to Federal Employees Health Benefits Plan For Civilian Employees, gives an overview of the FEHB program. Cost for the Health Maintenance Organizations (HMOs) that are available in your area and nationwide fee-for-service plans open only to specific groups are contained in the RI 70-1. Before selecting a health insurance plan you should review the individual plan brochures. The RI 70-1 and individual plan brochures are available from the OPM health insurance homepage at <http://www.opm.gov/insure/health/index.htm>. You must make your health insurance election using EBIS or The Benefits Line.

FEHB Premiums For Part Time Employees. If you are a part-time career employee, the Government contribution toward your health benefits is prorated in proportion to the percentage of full-time service you are regularly scheduled to perform. During each pay period in which your FEHB enrollment is in effect, you are responsible for paying all premiums in excess of the Government contribution, usually 25% of the total premium. If you are a part time employee, you can contact The Benefits Line for specific information about the cost of your FEHB depending upon your work schedule.

Effective Date of Health Insurance Coverage. Health insurance elections are effective on the first day of the first pay period that begins after you have made your election through the automated benefit systems and that follows a pay period during any part of which you were in pay status. This means that your FEHB election will never be effective during the first pay period you come to work. You can use your benefits as soon as your coverage becomes effective. There are no pre-existing condition limitations even if you change plans. If you elect to enroll in FEHB, you will receive your identification cards directly from the health insurance carrier.

You Can Make Changes To Health Insurance Enrollment During Open Season. Each year you will have the opportunity to enroll in FEHB, change plans or change options during open season. The annual open season for enrollment changes is held in the second half of November and the first half of December.

Life Events Allow Changes to Health Insurance Enrollment. There are various life events such as marriage, divorce, birth of a child, etc that allow changes to FEHB throughout the year. The changes must be made within 60 days of the event.

Health Insurance Premiums Are Withheld Before Taxes. Premiums for health insurance are withheld before federal taxes are calculated so your gross income for tax purposes is reduced. This is called FEHB Premium Conversion (FEHB-PC). If you elect FEHB coverage you will automatically be participating in FEHB-PC.

There are several important aspects of FEHB-PC that you should consider before participating:

1. Paying health insurance premiums with pre-tax money reduces the earning reported to the Social Security Administration. This may result in a somewhat lower Social Security benefit when you retire.
2. If you participate in FEHB-PC you are not able to deduct health insurance premiums as a medical deduction on your income tax return.
3. By participating in FEHB-PC, you do not have the flexibility to cancel your health insurance coverage or change to a self-only enrollment from a family enrollment any time. You will be able make these changes only in conjunction with a qualifying life event or during the annual FEHB open season.

If you do not wish to participate in FEHB-PC you must sign a form electing not to participate. The waiver form must be submitted at the time of your FEHB enrollment. You may request a copy of the waiver form by calling The Benefits Line or by printing the Waiver form, 12890/24 from www.civilianbenefits.hroc.navy.mil . You can change whether you participate in FEHB-PC during the FEHB open season or if you have a qualifying life event. Additional information about FEHB-PC is available from the OPM FEHB web site at <http://www.opm.gov/insure/health/pretaxfehb/index.htm>.

FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI)

Life Insurance Coverage For Employees With No Prior Federal Service. You are automatically covered by the Basic Life Insurance from your first day in a duty and pay status (at work). If you do not want any FEGLI coverage you must waive (decline) coverage. In addition to the Basic Life Insurance, you can elect Option A - Standard, Option B – Additional, and Option C - Family. You do not have any optional insurance unless you elect it within 31 days of your appointment. If you elect Option A, B or C coverage they are effective the day the election is made through the automated benefit systems. Additional information about FEGLI is available at the OPM web site at <http://www.opm.gov/insure/life/index.htm>.

If you have not been processed in the personnel system, and you want to make your optional insurance effective immediately, please contact The Benefits Line.

Life Insurance Coverage For Rehired Former Employees.

Break in Service of Less Than 180 Days. If you are rehired after a break in service of **less than 180 days**, you will automatically have whatever life insurance you had before leaving Government, if any, and do *not* get an opportunity to make a new election to increase coverage. If you do not want any FEGLI coverage or want to decrease your current level of coverage you must make a new election.

Break in Service of at Least 180 Days. If you are rehired after a break in service of **at least 180 days** you will automatically have Basic insurance even if you previously waived (did not elect) FEGLI coverage. You can elect any amount of optional insurance within 31 days of returning to service, regardless of the coverage you had during previous employment. If you fail to elect any type of optional insurance, you will automatically have the optional insurance you carried immediately before your break in service. If you do not want any FEGLI coverage or want to decrease your current level of coverage you must make a new election.

You May Elect Life Insurance By Passing A Physical. Pre-existing physical conditions will not prevent you from electing the FEGLI coverage when given the initial opportunity to elect (usually when you are first appointed). If you waived Basic coverage or did not elect additional options, you may elect coverage (or increase coverage) if:

- It has been one year since your last election,
- You successfully pass a physical (at your own expense) and
- Are approved by the Office of Federal Employees' Group Life Insurance (OFEGLI).

You cannot elect Option C – Family by taking a physical

Life Events Allow Changes to Life Insurance Enrollment. There are various life events such as marriage, divorce, birth of a child, etc that allow changes to FEGLI throughout the year. The changes must be made within 60 days of the event. Certain life events will allow you to elect Option C – Family.

There Is No Annual Open Season For Life Insurance. OPM *may* announce a periodic open season for FEGLI enrollment, but it is very uncommon.

RETIREMENT COVERAGE

Federal Employees Retirement System (FERS)

Most employees who started working for the Federal government after 31 December 1983 are automatically covered by FERS. The OPM Publication FERS (An Overview of Your Benefits) highlights the main features of FERS. You may download this publication at <http://www.opm.gov/asd/pdf/ri90-001.pdf>.

There are three components to FERS retirement benefits.

1. Social Security. You automatically contribute 6.2% of your earning up to the maximum taxable wage base to Social Security and 1.45% to Medicare.
2. FERS Basic Benefit Plan. As a FERS employee you will automatically participate in the FERS Basic Benefit Plan. You will contribute 0.80% of your earnings to the FERS Basic Benefit Plan. FERS employees under special retirement coverage such as firefighters contribute 1.3% of earnings to FERS.
3. TSP. TSP is a tax-deferred retirement savings and investment plan that offers you the same type of savings and tax benefits that many private corporations offer their employees under 401(k) plans. Your TSP account is the part of your retirement that you control-you decide how much of your pay to put in your account (up to the allowable limits), how to invest it, and, when you retire, you decide how you want your money paid out. Since TSP is a major component of FERS retirement you are encouraged to participate in TSP.

Civil Service Retirement System (CSRS)

CSRS. Prior to 1984, CSRS was the civilian retirement system for most Federal employees. Employees who separate from federal service and are rehired to a CSRS covered position within 365 days of the separation from a CSRS position may retain CSRS coverage. Most CSRS employees contribute 7% of basic pay toward retirement benefits and 1.45% to Medicare. CSRS employees under special retirement coverage such as firefighters contribute 7.5% of basic pay toward retirement benefits and 1.45% to Medicare.

CSRS Offset. A CSRS employee rehired on or after 1 January 1984 who has had a break in CSRS coverage of more than 365 days and who has at least 5 years of creditable civilian service by the end of 1986 is covered by CSRS Offset retirement. Employees covered under CSRS Offset pay Social Security and a reduced CSRS contribution. CSRS retirement and survivor benefits are offset by the value of the offset service in their Social Security benefits. A CSRS Offset employee pays 6.2% of earnings to Social Security, 0.80% to CSRS benefits and 1.45% to Medicare.

Eligibility To Participate In TSP. CSRS and CSRS Offset employees may elect to participate in TSP, but the participation rules are different than for FERS employees. For more information and to view the TSP summary booklet, please visit <http://www.tsp.gov/forms/tspbk08.pdf>.

Opportunity To Elect FERS. CSRS and CSRS Offset employees have 6-month opportunity to elect FERS when they are rehired after a break in service of more than 3 days. The OPM publication FERS Transfer Handbook gives an overview of the CSRS and FERS benefits. The handbook is available on the OPM website at http://www.opm.gov/fers_election/fersh/hb.pdf.

CREDITING MILITARY SERVICE TOWARD CIVILIAN RETIREMENT

If you have active duty military service, it is potentially creditable toward your civilian retirement. The rules for crediting the service depend upon your retirement system.

FERS RETIREMENT

FERS employees must make a deposit equal to 3% of military base pay plus interest to receive credit for post-56 military service in computing retirement annuity and eligibility.

Interest On Military Deposits. Interest begins to accrue on military deposits 2 years after you are first hired in a covered position. Interest is computed at a variable interest rate and no interest is actually charged if the deposit is completed before the end of the year after interest begins.

Retired Military. If you are retired military, you must waive your military retired pay (prior to retirement from your civilian job), in addition, to making the deposit, if you want to receive credit for your military service toward your civilian retirement.

CSRS/CSRS OFFSET RETIREMENT

For CSRS and CSRS Offset employees the rules for crediting military service toward retirement depend upon the date first employed under CSRS.

First Employed Under CSRS Before 1 October 1982. If you were first employed under CSRS before 1 October 1982, eligibility to receive Social Security benefits at age 62 determines what rules apply to your post-1956 service. The Social Security Administration can advise you regarding your eligibility to receive Social Security benefits at age 62. If you **will be** eligible for Social Security at age 62 you have two options:

1. You can make a deposit for post-1956 service and the service will be used for retirement eligibility and annuity calculations and avoid a reduction at age 62; or
2. You can decide not to make a deposit for post-1956 service and the service will be used for retirement eligibility and annuity calculations only until age 62. At age 62 this service will be deducted from your total years of service and your CSRS annuity will be recalculated based only on your years of civilian service. This is commonly referred to as "catch 62" since it affects retirees at age 62.

If you **will not be** eligible for Social Security at age 62 and you were first employed under CSRS before 1 October 1982, you do not need to make a deposit for post-1956 military service. Post-1956 military service will be used to meet length of service requirements for CSRS retirement eligibility and monthly retirement annuity benefits. At age 62 there will be no reduction in your CSRS annuity.

First Employed Under CSRS On Or After 1 October 1982. If you were first employed under CSRS on or after 1 October 1982, eligibility for Social Security benefits at age 62 is not a factor. A deposit is always required to credit post-1956 military service toward CSRS retirement length of service requirements and monthly retirement annuity computations. If you do not make a deposit, you will receive no credit for either purpose.

Interest On Military Deposits. For CSRS employees, interest begins to accrue on deposits for post-1956 military service on 1 October 1985, or 2 years after an individual is first employed (or reemployed after a period of military service) in a position subject to CSRS.

Retired Military. If you are retired military, you must waive your military retired pay (prior to retirement from your civilian job), in addition, to making the deposit, if you want to receive credit for your military service toward your civilian retirement.

THRIFT SAVINGS PLAN (TSP)

All employees covered by FERS or CSRS are eligible to participate in the TSP, and they may make contribution elections. However, employees appointed or reappointed to a position covered by FERS who had not been previously eligible to receive agency (1%) contributions becomes eligible to receive agency contributions the second election period following the effective date of the appointment.

You will have 60 days from the effective date of your appointment to make a TSP contribution election. If you do not elect to participate in TSP during the first 60 days you may do so during the open season held twice each year. You must make your TSP election using EBIS or The Benefits Line.

Additional information about TSP is available from the TSP web site at www.tsp.gov/.

TSP Catch-up Contribution Election. TSP participants who are age 50 or older or who are turning age 50 this calendar year may be eligible to make tax deferred “catch-up” contributions from their basic pay to their TSP accounts. These contributions are a supplement to the participant’s regular employee contributions and do not count against either the statutory contribution percentage limitations or the Internal Revenue Code’s elective deferral limit. However, the catch-up contributions have their own annual limit and eligibility criteria. The annual TSP Catch-up contribution limit is \$2000 in 2003, \$3000 in 2004, and \$4000 in 2005. In 2006 and thereafter, this amount will be subject to increases to reflect inflation.

Catch-up contribution elections are not subject to the open season rules, and more than one election may be made in any given year (so long as the annual catch-up limit is not exceeded). You must make your TSP Catch-up contribution election using the EBIS or The Benefits Line.

For more information and to view the TSP Catch-up Contribution Fact Sheet, please visit <http://www.tsp.gov/forms/oc03-03.pdf>.

FEDERAL LONG TERM CARE INSURANCE PROGRAM (FLTCIP)

You will have 60 days from the date of your appointment to elect to participate in FLTCIP using abbreviated underwriting procedures. After the initial 60 days you may apply using the full underwriting application. You will make your election for FLTCIP directly with the Long Term Care Partners. Questions about FLTCIP can be directed to the LTC Partners by telephone at 1-800-LTC-FEDS (1-800-582-3337) or by email at info@ltcpartners.com. The TTY number for the hearing impaired is 1-800-843-3557. The OPM web site for FLTCIP is <http://www.opm.gov/insure/ltc/>.

FEDERAL FLEXIBLE BENEFITS PLAN (FEDFLEX)

The FedFlex enables eligible employees to pay for certain benefits with pre-tax dollars. Employees will be able to set up a health care FSA to use for out-of-pocket costs including co-payments and deductibles and for health care expenses not covered by insurance, such as dental services and eye-care. Employees also will be able to set up an account for dependent-care expenses for children and aging parents. The FSA sign-up season will be aligned with the Federal Employees Health Benefits (FEHB) program open season. Employees wanting to enroll in the FSA program can visit the Federal FSA Program web site at <http://www.fsafeds.com/>

All inquiries should be made directly to the program administrator by calling toll free at 1-877-FSAFEDS (1-877-372-3337). FSA program counselors are available Monday through Friday, 9 AM until 9 PM Eastern Time, or email any questions to FSAFEDS@shps.net. For hearing impaired employees, the TTY/TDY number is 800-952-0450.

DESIGNATION OF BENEFICIARY

The purpose of a designation of beneficiary is to determine how benefits are distributed in the event of your death. Each of the types of beneficiary is described below. You do not need to complete a designation of beneficiary if you want the benefits distributed according to the standard order of precedence described on the back of each form. Once you have completed a written designation remember to keep it current. Be sure that two people witness and sign the completed form. Forms are available by calling The Benefits Line or from the web site as indicated below.

FORM NUMBER	PURPOSE OF DESIGNATION	DOWNLOAD FORM FROM	MAIL FORM TO
SF 2823, Designation For FEGLI	Determines how proceeds from the life insurance are distributed.	http://www.opm.gov/form/s/pdf_fill/sf2823.pdf .	HRSC Northwest 3230 Randall Way Silverdale, WA 98383-7952
SF 1152, Designation For Unpaid Compensation	Determines how any unpaid salary and lump sum annual leave are distributed	http://www.opm.gov/form/s/pdfimage/sf1152.pdf	HRSC Northwest 3230 Randall Way Silverdale, WA 98383-7952

SF 3102, Designation For FERS	Designates who is to receive a lump-sum payment which may become payable under the FERS. It does not affect the right of any person who is eligible for survivor annuity benefits	http://www.opm.gov/forms/pdf_fill/sf3102.pdf	HRSC Northwest 3230 Randall Way Silverdale, WA 98383-7952
TSP-3, Designation For TSP	Determines how any money that is invested in TSP is distributed	http://www.tsp.gov/forms/tsp3web.pdf	Thrift Savings Plan Service Office National Finance Center P. O. Box 61135 New Orleans, LA 70161-1135
SF 2808, Designation For CSRS	Designates who is to receive a lump-sum payment which may become payable under the CSRS. It does not affect the right of any person who is eligible for survivor annuity benefits.	http://www.opm.gov/forms/pdfimage/sf2808.pdf	Office of Personnel Management Retirement Operations Center P. O. Box 45 Boyers, PA 16017-0045

LEAVE AND EARNINGS STATEMENT (LES)

It is important to verify your benefits elections on your LES each pay period and notify a CSR of any problem as soon as you notice it. An error in deductions may result in a debt to the government for which you must repay.

QUESTIONS ABOUT BENEFITS AND THE AUTOMATED SYSTEMS

If you have any questions about your benefits, please call The Benefits Line at 1-888-320-2917. Select option 2 to speak to a CSR. CSRs are available 7:30 am to 7:30 pm, Monday through Friday (EST). Hearing impaired employees should call the TTY line for their servicing HRSC.

Overseas employees who have access to DSN service can connect to The Benefits Line by dialing the DSN number to Randolph AFB (RAFB), 487-1110. Once the RAFB operator answers please indicate that you want to make an "official off net call." The employee must provide The Benefits Line number, 888-320-2917.