

BENEFACTS NEWSLETTER

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Orthodontic Treatment? FSA Savings That Will Make You “Smile”

Orthodontic treatment may be necessary for family members, and can cost thousands of dollars. Enrolling in a Flexible Spending Account (FSA) allows enrollees to pay for eligible health and dependent care medical expenses using pre-tax dollars. Since orthodontic treatment is an eligible expense under the Health Care Flexible Spending Account (HCFSA), enrollees have the potential to save hundreds of dollars.

Due to the nature of orthodontic overall cost, extended treatment, and billing options, the Federal Flexible Spending Account Program (FSAFEDS) allows claims to be submitted for the duration of treatment rather than just the initial appointment. Regular dental treatment require the service to be completed and paid for within the benefit period, as a typical claim. With orthodontic treatment, FSAFEDS allows reimbursement for pre-paid expenses regardless of the date of service, since office visits can be at various times over many months. The orthodontic treatment plan may span from one calendar year to the next. Customers may choose to pay the full



amount or make monthly payments for the ongoing treatment. The employees and eligible dependents that are planning to start or currently receiving orthodontic treatment can submit claims for reimbursement either way.

See this example from the FSAFEDS Orthodontia Quick Reference Guide.

(<https://fsafeds.com/public/pdf/4109-FSAFEDS-Orthodontia-Quick-Reference-Guide.pdf>)

“If you paid lump sum to your orthodontist in the prior calendar year and were reimbursed a prorated amount, you can be re-

imbursed for the unclaimed amount in the current plan year (if you re-enrolled in a Health Care FSA and are still receiving orthodontia services). Simply provide the following documents;

- A copy of the payment information or payment receipt
- A claim form
- A letter indicating that amount you were reimbursed in the prior year

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Orthodontic Treatment? (continued)

- Documentation from the provider stating patient is still undergoing active orthodontic treatment

For example: In 2018, Mr. Smith had an HCFSA allotment of \$2,500, which he used to pay his orthodontia bill in full (the amount of the bill is \$5000). He submitted the correct documentation and was reimbursed \$2,500 from HCFSA. Mr. Smith re-enrolls in an HCFSA for 2019 with an allotment of \$2,500. He can now submit the correct documentation and be reimbursed the remaining \$2,500 he is owed.

Enrollees who choose a monthly payment plan with their orthodontist, can submit monthly claims to FSA for reimbursement. For instance, let's say Mrs. Bella's daughter is on an orthodontic treatment payment plan that started in October 2020 and will continue through 2021.

Mrs. Bella can submit claims in 2020 up to the amount that she chose as an allotment. As long as

she enrolled in a 2021 FSA, she can continue submitting orthodontic claims for her daughter's treatment into 2021 up to her chosen allotment.

With high orthodontic costs, FSA offers a flexible claim to lessen the financial burden of such treatment. Using the Mr. Smith example above of \$5,000 in orthodontic costs, he can save almost \$400 a year in the 15% tax bracket (federal and state combined). FSAFEDS provides savings calculators to calculate how much can be saved each year. (<https://fsafeds.com/support/savingscalculators/hcfsa>)

Participants can elect to enroll in a HCFSA up to a maximum of \$2,750 and carry over \$550 unused funds into the following year with enrollment. Employees can enroll in FSA during Open Season or if they have a qualifying life event. More details can be found on their website below.

www.FSAFEDS.com

877-FSAFEDS(372-3387)

Prevailing Rate Systems: Conduct of Local Federal Wage System Surveys

On March 1, 2021, based on majority recommendations of the Federal Prevailing Rate Advisory Committee, the Office of Personnel Management issued an interim final rule to amend the regulatory provisions in part 532 of title 5, Code of Federal Regulations, which require in-person visits by data collectors to private industry establishments for Federal Wage System full-scale and wage change surveys, namely, by personal visit, telephone, mail, or electronic means. It will provide the Department of Defense greater flexibility to obtain accurate and timely wage data in local labor markets, both during and after the national emergency caused by COVID-19. The interim final rule is effective on March 31, 2021.

For additional information, please visit the Federal Register located at:

<https://www.federalregister.gov/documents/2021/03/01/2021-03958/prevailing-rate-systems-conduct-of-local-wage-surveys>

Ways to Spend the Stimulus Check Wisely

Under the new stimulus bill signed by President Biden, a third stimulus check was sent to millions of qualified individuals and families who meet the income eligibilities. The purpose of stimulus checks is to boost the US economy by

providing money to taxpayers to help paying their essential expenses during economic downturns due to COVID-19. If you are one of the stimulus check recipients, here are some ways to spend that money wisely



living expenses, it may be a good time to start now.

4. Fix or improve your house.

If you need to replace your HVAC or roof or some other major appliances, you may use the money to replace or fix. Not only you can

fix your house, but also your home value will increase.

5. Make donations and/or support local businesses.

If you are not economically impacted but still received the stimulus check, it may be a good idea to give back to help your community. You may buy gift cards from the local restaurants or make donation to your favorite charities.

6. Save more for your retirement.

If you haven't maximized your Thrift Savings Plan (TSP) contributions, you may use the money to maximize your contribution to prepare for your retirement. The maximum contribution for 2021 TSP is \$19,500 (\$26,000 if you're 50 older)." In addition, you may also invest in a ROTH or traditional IRA. The maximum contribution for a 2021 IRA is \$6,000 (\$7,000 if you're 50 or older).

1. Prioritize your expenses and spend accordingly.

If you are behind on bills, prioritize your expenses from essential to non-essential items. Pay for your essential items such as rent, utility bills, food, and cell phones first and then pay for the non-essential items such as clothing, or eating out.

2. Spend down your debt.

If you are loaded with outstanding credit cards debts, make spreadsheet to list all the debt amounts and interest rates. Start with the smallest debt with the highest interest rate and go next.

3. Build emergency fund if you don't have one.

If you haven't established the emergency fund which is suggested to set aside at least 3 to 6 months worth of

"Prioritize Expenses"

"Reduce Debts"

"Build Emergency Funds"

"Improve House"

"Donate and Support"

"Save for Retirement"

Non-appropriated Fund (NAF) Health Benefits Program (HBP)



With COVID-19, it seems as if life has been on hold for a while, but getting your preventive care shouldn't be. The DoD NAF HBP plan covers preventive care at 100% (in-network) so it's good to have a preventive care visit for both your health and your wallet.

Be sure to have your doctor's office code your visit as "preventive" so it'll be covered in full. For the schedule of preventive screenings covered at 100%, be sure to visit www.nafhealthplans.com under "Health Benefits" and then "Medical Plans" and look for the "Summary of Benefits" for the plan you are covered under.

When you visit your doctor regularly, you'll get a baseline that can help with future healthcare decisions. Should you have an ongoing condition such as high blood pressure, high cholesterol, diabetes, obesity, or more than 30 other conditions, the DoD NAF HBP has a free program called the Aetna Health Connections Disease Management. This program provides one-on-one coaching support to help you better understand your condition and for you to stay on track with your doctor-prescribed treatment plan. Remember, managing your health not only makes you feel better, it saves you money! For those that participate in this program, it helps your employer keep the DoD NAF HBP medical plan premiums down for everyone. For more information on Aetna Health Connections, go to www.nafhealthplans.com under "Wellness" and then "Managing Your Health".

Employee Assistance Program Overview

The employee Assistance Program (EAP) was established to provide a safe, secure, and confidential environment for federal employees and their families. The EAP is a pre-paid employee benefit that offers confidential services to employees, their dependents, and household members. These services are easily accessible 24 hours a day/7 days a week by calling your program's toll free number or by visiting your member website. The EAP offers a variety of information and resources to help you manage work and life, such as:

- Childcare/Dependent Care
- Financial/Legal
- Health and Wellness
- House and Home

- Travel
- Pet Ownership
- Education
- Career
- Emergency Preparedness
- Discounts on a variety of services, and more!

We Challenge You

Take Advantage of two FREE financial coaching consultations. Tax season is here - get assistance with your taxes.



The Chamber of (Retirement) Secrets: DC Government Employees and Retirement Coverage

Title 5 of both the Code of Federal Regulations (CFR) and the United States Code (U.S.C.) contain the provisions governing retirement eligibility types, and annuity computations for federal employees covered under Chapters 83 and 84 of those same codes. Beyond that, both codes also describe the types of employees who are eligible (“covered”) to receive federal retirement benefits.

While both codes may seem straightforward, in fact, both are a veritable “chamber of secrets” for the uninitiated. For example, did you know that employees of Japanese-Americans who were interned during World War II could receive credit for any period of internment as civilian service in their federal annuity? Or that natives of the Pribilof Islands who performed service hunting seals earned creditable service toward a federal annuity?

While it may be tempting to dismiss these two examples as being a unique kind of historical employee provisions, similar examples of other employee types abound within the code, such as District of Columbia (DC) Government employees. DC Government employees face unique challenges because of how their service was characterized after October 1, 1987, and later, as a result of the 2010 National Defense Authorization Act (P.L. 111-84).

DC Government employees were covered under the Civil Service Retirement System (CSRS) prior to October 1, 1987. As of October 1, 1987, DC Government employees were given a choice: to remain covered under CSRS, or to elect

DC Government retirement and benefits. Electing the latter means losing title toward the CSRS annuity, as well as losing other federal employee benefits (such as the Federal Employees’ Health Benefit Program, Federal Employees’ Group Life Insurance Program, and so on).

DC Government employees who elected to retain their CSRS retirement benefits remained eligible to receive a CSRS annuity. DC Government employees hired prior to October 1, 1987, and who elect to transfer to a role in the federal government (for example, by accepting a job with the Department of Commerce, or for that matter, any other Department Agency, or Activity of the United States Government) are thus able to have their prior DC Government service credited in the annuity calculation (for both title and service computation).

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“Title 5 of the Code of Federal Regulations (CFR) and the United States Code (U.S.C.)”

“2010 National Defense Authorization Act (P.L. 111-84)”

The Chamber of (Retirement) Secrets: DC Government Employees and Retirement Coverage (Continued)

Individuals who were employed by DC Government after October 1, 1987, are automatically covered under the DC Government employee retirement, they are neither eligible to enroll in CSRS, nor gain title toward a CSRS annuity. If a post-1987 DC Government employee transfers to the federal service, their prior DC Government service does not transfer over and is not creditable for retirement.

Now, as is true of the federal retirement “chamber of secrets”, there are exceptions to these rules outlining DC Government employee service creditability. Some officers and agencies within DC Government permit employees to retain their CSRS or FERS retirement coverage, or to pick it up entirely anew, such as the District of Columbia Financial Control Authority.

(Such agencies and offices are directly specified within the *CSRS/FERS Handbook*, available at www.opm.gov, or in Benefits Administration Letters, such as BAL 10-101. These offices and agencies are the exception, rather than the rule, for DC Government; the vast majority of DC Government agencies and offices offer only their own retirement system coverage; employees are *not* eligible to enroll in CSRS or FERS.)

P.L. 111-84 expanded the scope of these exceptions: certain specified DC Government service became creditable for title (but not computation) on or after October 28, 2009. The specified service is limited to the following:

- Non-judicial service as an employee of the District of Columbia courts performed after 1997 for which the employee did not previously receive retirement credit; service as an employee of the District of Columbia Pre-Trial Services, Parole, Adult Supervision, and Offender Supervision Trustee performed after 1997 for which the employee did not previously receive retirement credit;

- Service as an employee of the District of Columbia Department of Corrections who was separated from service as a result of the closing of the Lorton Correctional Complex and

- (subsequently) appointed to a position within the Bureau of Prisons, the District of Columbia Courts, Pre-Trial Services, Parole, Adult Supervision, and Offender Supervision Trustee, the United States Parole Commission, or the District of Columbia Public Defender service;

- Service performed by the individual as an employee of the District of Columbia Department of Corrections for which the employee did not previously receive retirement credit is creditable for title to an annuity only (it is not creditable within the service computation portion of the annuity calculation) provided the individual is employed under CSRS or FERS on or after October 28, 2009, and DC Government certifies that the employee’s service fell within one of the aforementioned categories. (See BAL 10-101 for more information.)



The Chamber of (Retirement) Secrets: DC Government Employees and Retirement Coverage (Continued)



Case Study 1

Jared is currently a law professor at the University of the District of Columbia (UDC). In the late 1970s, he held a series of intermittent appointments as a student summer hire with the Department of Commerce (the total service period of these appointments were approximately two years; these appointments were FICA-only coverage). Jared was first hired by UDC in 2001. In 2002, he accepted an offer from Georgetown University School of Law and worked there until 2011. In 2011, the law school at UDC offered him a tenured position with a significantly higher salary, which he accepted. Jared has been employed at UDC for 11 years. Is Jared covered by CSRS? Is he eligible for any of the provisions of P.L. 111-84?

Answer

As a post-1987 employee, Jared is correctly (and only) covered by DC Government retirement benefits. His prior service with the Department of Commerce would only be potentially creditable toward an annuity if he: (1) was in a CSRS or FERS covered position with the federal government AND (2) had at least five years of total federal civilian service. Jared is not eligible for any of the provisions of P.L. 111-84 because he has not been employed by those specific offices/agencies of DC Government.

Case Study 2

Cindy is a social worker employed by the District of Columbia Public Schools (DCPS). Cindy was first hired by DCPS on August 30, 1982. She was employed, without any breaks in service, until December 1, 2012, when she retired. What do we know about Cindy's retirement system coverage?

Answer

As a pre-October 1, 1987, hired DC Government employee, Cindy was covered by CSRS. On October 1, 1987, she was afforded an election opportunity between CSRS and DC Government retirement benefits. Cindy retained her CSRS coverage (and federal benefits) so long as she did not elect DC Government retirement, or enroll in any DC Government benefits (such as health or life insurance).

Case Study 3

Stephen was employed with DC Government Public Library System from December 1, 1987 through October 1, 1990. He began working for the Space Force (as a federal civilian employee) in 2020. Stephen is currently 57 years old. What is his retirement system coverage? If he is covered under a federal retirement system (either CSRS or FERS), how long does he need to work in order to gain title to an annuity? Can he use his DC Government service in his federal annuity computation?

Answer

Stephen is covered under FERS (specifically, FERS-FRAE). As a FERS employee, Stephen will need to work until he is 62, in order to retire under the FERS voluntary age 62 with five years of service (62+5) provision. Stephen cannot use his post-1987 DC Government service in his federal annuity computation; it is not creditable for inclusion in the annuity computation, nor can it be used to gain title to an annuity.

The Credentialing Corner



DoD Employee Benefits Advisor Credentialing Program

Hot Off the Presses!

Are you in need of help with passing the DoD Employee Benefits Advisor Level I Credentialing Exam? The DCPAS Benefits Credentialing Team is now offering Credentialing Prep Sessions to provide assistance to participants requiring additional reinforcement of key concepts of the Basic Benefits and Retirement Modules.

It is our desire to support all program participants seeking to acquire the knowledge essential to successfully achieve their personal and professional goal of obtaining their Employee Benefits Advisor (EBA) Credentials.

The format is an informal Study Hall style where participants will have the opportunity to review a topic and ask questions and get

answers from Credentialed Employee Benefits Advisors. Each month, we will focus on a different topic where participants will have the opportunity to review key concepts and work through practice questions. This is in addition to independent study time.

Who: Eligible participants who are ready to take the Level I Credentialing exam.

When: The last Wednesday of each month at 1400 - 1530 EST.

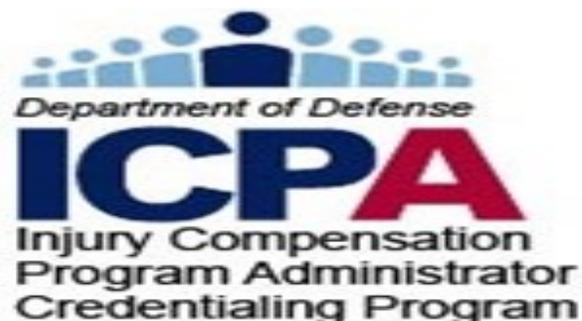
Where: Registered participants will attend via Microsoft Teams.

How: To register or to get additional information on the Credentialing Prep Session send an email to the Credentialing Team at dodhra.mc-alex.dcpas.mbx.dod-bwnp-credentialing@mail.mil.

Injury Compensation Program Administrator (ICPA) Credentialing Program

The DoD ICPA Level I Credentialing examinations are currently underway. Remote proctoring is available for all eligible participants. The next ICPA Level II training course will be held on April 20, 2021. The Level II Pilot exam will be offered shortly after.

Please direct all credentialing questions to dodhra.mc-alex.dcpas.mbx.dod-bwnp-credentialing@mail.mil



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2021 Federal Benefits Virtual Trainings

The Benefits and Work Life Program Division holds Virtual Basic, Intermediate and Advanced trainings on Federal Employee benefits.

For more information, please contact:
dodhra.mc-alex.dcpas.mbx.benefits-contacts@mail.mil



BASIC	INTERMEDIATE	ADVANCED
19 Apr - 23 Apr	17 May - 21 May	14 Jun - 18 Jun
10 May - 14 May		21 Jun - 25 Jun

**** To register DCPAS Virtual Benefits Trainings,**
<https://www.apps.cpms.osd.mil/cpmstraining/app/>