

**INSIDE  
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## Waive Premium Conversion, but Why and How?

### What is premium conversion?

Premium conversion is a tax benefit that allows employees eligible for Federal Employee Health Benefits (FEHB) the ability to pay their share of the cost of FEHB, with pre tax dollars. This means that the money is not subject to Federal Income, Medicare, or Social Security taxes.

Did you know that you could waive premium conversion? Beginning the first pay period on or after October 1, 2000, most federal employees in the Executive Branch where automatically enrolled into premium conversion. Benefits Administration Letter (BAL) 00-215 outlines premium conversion and the guidance on how to opt-out/waive this feature.

Sections 125 of the Internal Revenue Code and IRS rules governs premium conversion. Many federal employees enjoy the benefits of the premium conversion. This feature is automatic, with the option to opt-out or waive premium conversion and the advantages associated with this provision.

Why would an employee want to waive this tax savings? There could be any number of reasons, this is a personal decision, and we will discuss two. First, waiving premium conversion allows employees the flexibility to drop or adjust insurance coverage levels, at any time without giving any reason. If an employee is covered under the premium conversion feature, they must have a qualified life event (QLE) in order to change plans if the change is outside FEHB open season. Second, some employees may want to have more money applied to their Social Security benefits. Opting out/waiving of the premium conversion will allow more money applied to their Social Security benefits.

How would an employee opt-out or waive premium conversion? Employees have the opportunity to opt-out/waive participation in premium conversion within their initial 60 days of appointment to a position that conveys FEHB coverage or during open enrollment season.

(To continue next page)

## Waive Premium Conversion, but Why and How? (continued)

For those who wish to waive coverage, they must complete FEHB premium conversion waiver election form, attachment 3 of BAL 00-215: <https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2000/00-215.pdf>. Newly eligible employees will need to submit this form at the time of completion of the SF-2809.

If the employee desires to restore premium conversion, they would need to complete, sign, and date section III of the waiver form. For restoration of premium conversion, outside of FEHB Open Season employees must have an approved QLE. The Payroll/Personnel staff must approve section IV of this form.

For more information on premium conversion is available on OPM's website: [www.opm.gov](http://www.opm.gov).



## Federal Wage Surveys: On the Road Again!

With COVID-19 travel restrictions now lifted in all Federal Wage System (FWS) survey areas except Guam, the Wage & Salary Division is returning to Temporary Duty (TDY) travel for FWS full-scale surveys. This is good news because we can return to our partnerships with the labor unions in collecting high-quality wage data with full participation and transparency. Another good news fact is the Department of Defense also has greater flexibility to obtain wage data in local labor markets post COVID-19.

The Office of Personnel Management issued an interim final rule, effective March 31, 2021, to amend part 532 of title 5, Code of Federal Regulations, to allow for additional options to collect wage data during Federal Wage System surveys when a personal visit is not possible. If the Local Wage Survey Committee is in full agreement, the Wage & Salary data collec-

tors can collect and accept wage survey data by in-person site visits, telephone, mail, and email, or a combination of these methods. Of course, data collected in person will follow CDC guidelines as well as all federal, state, and local guidelines to include base guidance and any direction by the private sector companies we visit.

For the latest DoD Guidance and coronavirus-related information regarding Travel Restrictions, please visit the following link: <https://www.defense.gov/Explore/Spotlight/Coronavirus/Latest-DOD-Guidance/>

## How Do I Maintain a Good Credit Score?

Having a good credit score means you can get the best borrowing rates when you are buying a big ticket item such as house or car. Or, if you need to rent a home or apartment, you are more likely to be approved with a good credit score. It is not rocket science to improve your credit score, but you need to understand the factors that affect credit scores and a need to be consistent with your behaviors.

Your FICO credit score consists of five different factors:

**Payment History** (35%)

**Amounts Owed** (30%)

**Length of Credit History** (15%)

**New Credits** (10%)

**Credit Mix** (10%)



Here are some tips to improve and maintain a good credit score:

1. **Pay Your Bills on Time**—Paying your credit card bills and other loans on time is important, especially since a history of late or missed payments can drop your credit score
2. **Stay Below Your Credit Limit**—Try to keep your credit utilization ratio low by not using up all of your available credit.
3. **Maintain Credit History With Older Credit Cards**—Account history is another factor in your credit score. So the longer you show good credit habits, the better it could be for your score.
4. **Apply for New Credit Only as Needed**— You may want to consider what credit you need before applying for a new card. Multiple credit applications in a short period of time could have a negative impact on your score.
5. **Check Your Credit Reports for Errors**— Proactively checking your credit report for errors is another way to help maintain a good score.

*“Pay Your Bills on Time”*

*“Stay Below Your Credit Limit”*

*“Maintain Credit History”*

*“Apply for New Credit as Needed”*

*“Check Credit Reports for Errors”*

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

Nothing matters more than your health. One of the best ways for you and your family to stay healthy is by making the most of the DoD NAF benefits, programs and services.

Do something good for your health—and your wallet! Each year, employees and retirees can earn up to \$300 in health incentive credits to go toward paying your out-of-pocket costs. In addition, if you cover eligible family members, they can earn up to an additional \$300!

Here are health incentive credits you can get:

- **Get a metabolic screening:** This free biometric screening includes a simple blood test that measures your cholesterol and blood sugar. It also includes a check of your height, weight and blood pressure to give you a snapshot of your overall health. Schedule your appointment at [My.QuestForHealth.com](http://My.QuestForHealth.com). Earn up to \$150.
- **Visit the pediatrician:** Schedule an annual well-child visit for your dependents under age 18. Preventive care exams and screenings are covered at 100%. Earn \$50.
- **Take the online health assessment:** Think of it as a mini-survey of your health history and habits—with instant results and advice based on your answers. Earn \$75.
- **Complete online Journeys (up to 4):** Once you've completed your assessment, you'll receive suggested areas to focus on to reduce your health risks. For example, if you indicate tobacco use, the tobacco-cessation Journey will be suggested. Other topics include eating healthier, reducing stress, improving sleep, back health and more. Earn \$75 each.
- **Work on a health goal:** Have three calls with a nurse who will work with you to improve your health. Get support and strategies to manage things like weight, blood pressure, asthma and other challenges. If an Aetna nurse reaches out, take the call. Earn \$75.



## Counting the Cost: Employee and Agency Retirement Contributions

Some federal employees may not realize how much it costs them and the agency to provide an annuity benefit. The funding for federal annuities must come from somewhere. Employee and agency contributions under the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS) are deposited into the Civil Service Retirement and Disability Fund (CSRDF). Qualifying retirement annuities are then paid from the CSRDF. The amount of employee and agency contributions depends on the retirement system and type.

The chart below shows current employee and agency contributions. Notice the difference in employee contributions between FERS and FERS-RAE/FRAE. Agency contributions for special retirement are much higher overall due to the higher annuity calculation cost.

OPM issued BAL 21-304: Changes to Agencies' Contributions to the Federal Employees Retirement System. The increased rates are effective October 1, 2021. See <https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2021/21-304.pdf> for details.

*“The amount of employee and agency contributions depends on the retirement system and type.”*

*“There is no such thing as free lunch!”*

Retirement System	Retirement Code	Employee Contribution	Agency Contribution
CSRS	1	7.0%	7.0%
CSRS/Spec	6	7.5%	7.5%
CSRS Offset	C	0.8%	7.0%
CSRS Offset/ Spec	E	1.3%	7.5%
FERS	K	0.8%	17.3%
FERS FF/LEO/Spec	M	1.3%	35.8%
FERS ATC/Spec	L	1.3%	35.7%
FERS-RAE	KR	3.1%	15.5%
FERS-FRAE	KF	4.4%	15.5%
FERS RAE/RAE FF/LEO/Spec	MR/MF	3.6%	34.0%
FERS RAE/RAE ATC/Spec	LR/LF	3.6%	33.9%

There is no such thing as a free lunch!

See OPM BAL 20-304 <https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2020/20-304.pdf> for current rates.

## How Are Worker's Compensation Benefits Paid?

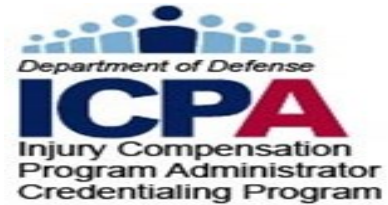
The Federal Employees' Compensation Act (FECA) Program provides compensation benefits to Federal civilian employees related to personal injury or disease sustained while in the performance of duty. The FECA also provides for payment of benefits to dependents if a work-related injury or disease causes an employees' death. The FECA program is financed by the Employees' Compensation Fund that consists of monies appropriated by Congress or contributed by certain agencies from operating revenues.

The chargeback system is the mechanism by which the Department of Labor (DOL) bills the government agencies for costs paid for our work-related injuries and deaths. Federal Agencies are billed annually at the end of the fiscal accounting period, which runs from July to June. Each year, the Department of Defense (DoD) is furnished with a statement of payments made from the Fund on account of injuries to it's employees. DoD includes these amounts (dollar-for-dollar) in their budget requests to Congress.

The DoD agencies receive a quarterly report that lists all cases and costs for which charges will appear on the yearly chargeback bill. COVID-19 cases filed on or after March 12, 2021, if accepted, the costs will not be charged back to DoD and will not be reflected in the annual chargeback bill. The Injury Compensation Program Administrator (ICPA) should review the quarterly reports to identify and correct any errors before receipt of the yearly bill. The ICPA should document all chargeback errors on the required DOL excel spreadsheet and submit to the component FECA Program Manager for submission to the Defense Civilian Personnel Advisory Service (DCPAS), Injury and Unemployment Compensation (ICUC) Branch.

**WORKERS'  
COMPENSATION  
BENEFITS**





## A New Platform for Remote Proctoring!

On June 15th, 2021, Microsoft Teams CVR was decommissioned. Beginning on June 15th, 2021, the DCPAS Credentialing team began remote proctoring through the Defense Collaboration Services (DCS). With DCS, participants will be required to take part in a test run 1 day prior to their scheduled exam to ensure computer compatibility, and to test functionality of their computer's camera and microphone.

The registration process for remote proctoring will remain the same. You can request to take an exam using the following link: <https://credentialingexamrequest.as.me/schedule.php>.

Please direct all credentialing questions to [dodhra.mc-alex.dcpas.mbx.dod.bwnpcredentialing@mail.mil](mailto:dodhra.mc-alex.dcpas.mbx.dod.bwnpcredentialing@mail.mil).

## How Has Telework and AWS Worked For You?

Part of the DoD's COVID response included an unprecedented amount of the workforce teleworking and participating in alternate work schedules (AWS) in order to meet mission requirements. As components begin to make plans to return to the workplace, they must consider lessons learned and best practices that emerged from the DoD COVID response. Managers should ask themselves these questions: Did production meet satisfactory levels during a period of unprecedented workplace flexibility? Did the increase in flexibilities result in employee satisfaction? Did supervisors have sufficient tools to maintain managerial oversight of their employees? If the answer was "yes" to all three questions, then perhaps the changes were for the best and consideration paid to making those changes permanent.

If any answer was no, then resources are available to assist. Managers should partner with their servicing HR professionals to assist in maintaining standards in hybrid working environments that include in person workers, teleworkers, and remote workers.

Readers may find more information regarding telework on [www.telework.gov](http://www.telework.gov) and for more information regarding AWS read this reference [guide](#). Contact [dodhra.mc-alex.dcpas.mbx.dod-worklife@mail.mil](mailto:dodhra.mc-alex.dcpas.mbx.dod-worklife@mail.mil) with any questions regarding any work-life topics.



## Military Exchange Shopping for DOD & Coast Guard Civilian Employees

Did you hear the news? Did you scramble to learn facts only to find it was true? On May 1, 2021, Department of Defense and Coast Guard active civilian employees were extended the privilege of shopping at Military Exchanges. The Department approved access to the DOD and Coast Guard civilian employees to support Morale and Welfare programs. As a result, civilian employees can now enjoy the convenience of shopping at installation Exchanges. Military Exchanges offer tax free shopping with 100% of military exchange earnings going right back to the military community. Civilian employees may only shop at Military Exchanges in the United States, U.S. territories, and its possessions. The DoD Common Access Card (CAC) must be provided to show proof of employment.

Later this year, online shopping will also be granted. Employees will be able to go to [www.shopmyexchange.com](http://www.shopmyexchange.com) to make purchases. Retired DOD and Coast Guard civilian employees will also be given access to online shopping, but will not be able to shop in person at Military Exchanges. These new shopping privileges do not apply to Military Commissaries.

For more information on the recent change in policy please read the Defense Civilian Personnel Advisory Service Memorandum located here [https://dcpasportal.ds.dhra.osd.mil/DCPAS%20Messages/2021%20DCPAS%20Messages/DCPAS%20Message%202021038%20-%20Exchange%20Access%20for%20DoD%20Civilian%20Employees\\_v3.pdf](https://dcpasportal.ds.dhra.osd.mil/DCPAS%20Messages/2021%20DCPAS%20Messages/DCPAS%20Message%202021038%20-%20Exchange%20Access%20for%20DoD%20Civilian%20Employees_v3.pdf).



IT'S AN HONOR TO SERVE THOSE WHO SERVE





Benefits, Wage, and  
NAF Policy Line of  
Business



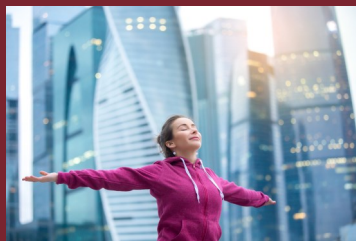
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**BE**  
Knowledgeable

**BE**  
Informed

**BE**  
Reliable



**CONNECT WITH US!**

**Follow the Benefits, Wage, and NAF Policy  
Line of Business, DCPAS on Twitter**  
**@Lob#3**  
**#DCPASExcellence**  
<https://twitter.com/LOB3Colleagues>

## 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](mailto:dodhra.mc-alex.dcpas.mbx.benefits-contacts@mail.mil)



BASIC	INTERMEDIATE	ADVANCED
12 Jul - 16 Jul	26 Jul - 30 Jul	
9 Aug—13 Aug	23 Aug—27 Aug	
13 Sep—17 Sep	20 Sep—24 Sep	27 Sep—30 Sep
ICPA Level I	ICPA Level II	
	31 Aug—3 Sep	
21 Sep—23 Sep		

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