

EMPLOYEE BENEFITS

1. **REASON FOR ISSUE:** To revise Department of Veterans Affairs (VA) policy regarding employee benefits.
2. **SUMMARY OF CONTENTS/MAJOR CHANGES:** This directive contains mandatory VA policy on the provision of employee benefit program information. This revision [updates] VA's policy for the U.S. Flag Recognition Benefit [and Office of Personnel Management (OPM) Wall of Honor Recognition] for Deceased Federal Civilian Employees. The pages in this issuance replace the corresponding page numbers in VA Directive 5009. Revised text is contained in [brackets]. This change will be incorporated into the electronic version of VA Directive 5009 that is maintained on the [[Office of the Chief Human Capital Officer Website](#) and [VA Publications Website](#)].
3. **RESPONSIBLE OFFICE:** Worklife and Benefits Service (058), Office of the Chief Human Capital Officer (OCHCO), Human Resources and Administration/Operations, Security and Preparedness (006).
4. **RELATED HANDBOOK:** VA Handbook 5009, Employee Benefits.
5. **RESCISSIONS:** None.

CERTIFIED BY:

**BY DIRECTION OF THE SECRETARY
OF VETERANS AFFAIRS:**

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DISTRIBUTION: Electronic Only

EMPLOYEE BENEFITS

1. PURPOSE. The purpose of this directive is to issue Department of Veterans Affairs (VA) policy on employee benefits.

2. POLICY

a. Retirement Programs

(1) VA will utilize the Office of Personnel Management's (OPM) Operating Manual, "The Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) Handbook for Personnel and Payroll Offices", which contains instructions for agency personnel and payroll offices for carrying out their responsibilities for basic benefits under the CSRS and FERS.

(2) 5 CFR, part 831, subpart L prescribes the procedures to be followed when an agency files an application for disability retirement in the course of removing an employee. When the criteria in Section 831.1203 are met:

(a) Administration Heads, Assistant Secretaries, and Other Key Officials are authorized to recommend disability retirement for all employees occupying positions under their respective jurisdictions except for those which the Secretary retains prior approval authority.

(b) Heads of field facilities are authorized to recommend disability retirement for all employees occupying positions under their respective jurisdictions, except prior approval is required for positions centralized to an administration, assistant secretary, or other key official.

(c) Where prior approval of the Secretary is necessary, it will be obtained through the Deputy Assistant Secretary for Human Resources Management (HRM).

(d) Consistent with 3(b), VA Central Office, Worklife and Benefits Service (058), is responsible for the development and dissemination of guidance, operating instructions, educational tools, and resources to VA Human Resources offices on VA's Retirement Financial Literacy and Education Program and other applicable benefit programs.

(3) At a minimum, servicing Human Resources (HR) offices should provide their employees one annual seminar covering financial literacy and education information. These financial literacy and educational fairs should provide general, rather than specific, financial information and target employees at three career points; new employee, mid-career and pre-retirement. It is suggested that these financial literacy and educational fairs be conducted in conjunction with new employee orientation and retirement seminars. In addition HR offices should consider using guest speakers, web-based training, webinars, etc. on an on-going/annual basis. **HR offices will be required to provide VA Headquarters an annual report on the activities conducted under their retirement financial education programs to facilitate an agency report to OPM.**

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b. Special Retirement Provisions for Law Enforcement Officers and Firefighters

(1) Retirement eligibility requirements for law enforcement officers (LEO) and firefighters (FF) fall under two separate retirement systems. Under the Civil Service Retirement System (CSRS), LEOs and FFs may retire voluntarily or involuntarily at an early age with entitlement to a special annuity computation if all requirements are met. Under the Federal Employees Retirement System (FERS), LEO and FF retirement may be triggered by mandatory separation based on age.

(2) LEO and FF special retirement provisions, including exemptions from mandatory separation age for CSRS and FERS are located in VA Handbook 5009, Part II, Special Retirement Provisions for Law Enforcement Officers and Firefighters.

c. Federal Employees Health Benefits (FEHB) Program. VA will utilize the FEHB policies, procedures, and guidance contained in OPM's Operating Manual, "The Federal Employees Health Benefits Program Handbook: A Handbook for Enrollees and Employing Offices".

[d. Affordable Care Act (ACA) and Marketplace Notice. ACA Marketplace Notice procedures and guidance are located in VA Handbook 5009, Part III.

e.] Federal Employees' Group Life Insurance (FEGLI) Program. VA will utilize the FEGLI policies, procedures, and guidance contained in OPM's Operating Manual, "The Federal Employees' Group Life Insurance Handbook: A Handbook for Employees, Annuitants, Compensationers and Employing Offices".

[f.] Thrift Savings Plan (TSP) Program. VA will utilize the TSP policies contained in the TSP Booklet, "Summary of the Thrift Savings Plan for Federal Employees".

[g.] Federal Employees Dental and Vision Insurance Program (FEDVIP). VA will utilize the FEDVIP policies, procedures, and guidance as published and distributed by OPM.

[h.] Federal Flexible Spending Accounts (FSAFEDS) Program. VA will utilize the FSA policies, procedures, and guidance as published and distributed by OPM and the Federal Program Administrator for FSAFEDS, Sykes Health Plan Services, Inc. (SHPS).

[i.] Federal Long Term Care Insurance Program (FLTCIP). VA will utilize the FLTCIP policies, procedures, and guidance as published and distributed by OPM and the Federal Program Administrator for FLTCIP, Long Term Care Partners, LLC.

[j.] Professional Liability Insurance

(1) In accordance with Public Law 106-58 dated, September 29, 1999, the Department will reimburse professional liability insurance premiums to VA supervisors, management officials, and law enforcement officers for up to one-half the cost incurred by qualified employees not to exceed \$150.00 per year.

(2) The reimbursement cost will be the responsibility of the organization in which the employee works using local vouchering procedures.

(3) Supervisors and management officials have the meaning given them by section 7103(a) of title 5.

(a) Supervisors are defined as individuals employed by an agency having authority in the interest of the agency to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline, or remove employees, to adjust their grievances, or to effectively recommend such action, if the exercise of the authority is not merely routine or clerical in nature but requires the consistent exercise of independent judgment, except that with respect to any unit which includes firefighters or nurses, the term supervisor includes only those individuals who devote a preponderance of their time to exercising such authority.

(b) Managers are individuals employed by the agency in positions the duties and responsibilities of which require or authorize the individuals to formulate, determine, or influence the policies of the agency.

(4) Law enforcement officers are employees, the duties whose positions are primarily in the investigation, apprehension, prosecution or detention of individuals suspected of, or convicted of offenses against the criminal laws of the United States, including any law enforcement officer under section 8331(20) or 8401(17) of title 5, or under section 4823 of title 22, United States Code.

[k.] Death Gratuity Payment

(1) The Department will make a payment of \$10,000 minus any payments authorized under 5 U.S.C. 8133(f), 8134(a) and section 312 of Public Law 103-332 to the personal representative of any employee who dies from an injury in the line of duty. This payment also covers an employee no longer on the rolls if the death is the result of an injury sustained in the line of duty. Any other payments, to include other benefits payable under the Federal Employees' Compensation Act (FECA) do not affect the \$10,000 limit.

(2) The above payment authorization will not be paid if the Department determines that the employee's death was the result of willful misconduct.

(3) A personal representative will generally be the formally designated executor or administrator of the employee's estate under State law. The Secretary will determine who is the personal representative in any particular case.

[l.] VA Child Care Subsidy Program

(1) VA may authorize a subsidy payment to assist lower income employees with their child care costs per Public Law 107-67, Section 630, and 5 CFR, part 792. The threshold for determining who qualifies as a lower income employee is provided on the [VA Child Care Subsidy Program Web site](#).

(2) Payment will only be authorized if the employee uses a qualified child care provider (center-based care family child care home, and/or before/after care) that is licensed and/or regulated to provide child care services in the state or location in which they operate.

- (3) Employees who misuse child care subsidies will be subject to appropriate administrative action, including discipline and disqualification for future VA child care subsidy benefits.

- m. **U.S. Flag Recognition Benefit [and Office of Personnel Management (OPM) Wall of Honor Recognition] for Deceased Federal Civilian Employees.** U.S. Flag Recognition Benefit [and Office of Personnel Management (OPM Wall of Honor Recognition] for Deceased Federal Civilian Employees procedures and guidance are located in VA Handbook 5009, Part IV. The Department will issue a U.S. Flag to the Beneficiary of a deceased VA employee who dies of injuries incurred in connection with his/her employment under certain circumstances as a result of a criminal act, an act of terrorism, a natural disaster, or other circumstances as determined by the President.
- n. **Phased Retirement.** Phased retirement procedures and guidance are located in VA Handbook 5009, Part V.
 - (1) Phased retirement is a workforce management tool designed to assist the VA with knowledge management and continuity of operations in the short term, and prepare the next generation of experts for success
 - (2) Phased retirement allows an employee to work a part time schedule while receiving a partial annuity.
 - (3) Phased retirement is not an employee right. Elections to enter into, or opt out of, phased retirement status require the mutual consent of both the employee and the supervisor.

3. RESPONSIBILITIES.

- a. Responsibilities are contained in each of the Program Operation Manuals mentioned in the Policy section. The TSP responsibilities are contained the TSP Booklet, "Summary of the Thrift Savings, Plan"/
- b. In addition to the responsibilities listed in the Manuals and TSP Booklet, Staff Office and field facilities staff must also follow the standard operations procedures or other guidance that has been or will be established by VA Central Office, Worklife and Benefits Service (058) and the Chief Business Office (CBO). If there are any concerns regarding matters involving field facility staff responsibilities, facility staff should consult with the Worklife and Benefits Service (058) or the CBO, as appropriate for resolution.

- c. The Assistant Inspector General for Management and Administration is responsible for administering retirement programs for the Office of the Inspector General employees. The Inspector General Reform Act of 2008, Section 14 (a), designates each Office of Inspector General as a separate agency with the Inspector General assuming the functions, powers, and duties of an agency head.

4. REFERENCES

- a. Retirement

- (1) Inspector General Act of 1978;
- (2) Inspector General Reform Act of 2008, §6(d)(1)(B)(ii);

- (3) OPM Operating Manual, “CSRS and FERS Handbook for Personnel and Payroll Offices”;
- (4) OPM Benefits Administration Letters;
- (5) 5 CFR, parts 831, 835, 837, 838, 841, 842, 843, 844, 845, 846, and, 847; and
- (6) 5 U.S.C., chapters 83 and 84.

b. FEHB

- (1) OPM Operating Manual, “The Federal Employees Health Benefits Program Handbook: A Handbook for Enrollees and Employing Offices”;
- (2) OPM Benefits Administration Letters;
- (3) 5 CFR, part 890; and
- (4) 5 U.S.C., chapter 89.

c. FEGLI

- (1) OPM Operating Manual, “The Federal Employees Group Life Insurance Handbook: A Handbook for Employees, Annuitants, Compensationers and Employing Offices”;
- (2) OPM Benefits Administration Letters;
- (3) 5 CFR, part 870; and
- (4) 5 U.S.C., chapter 87.

d. TSP

- (1) TSP Booklet, “Summary of the Thrift Savings Plan”;
- (2) TSP Bulletins;
- (3) 5 CFR, part 1600; and
- (4) 5 U.S.C., chapter 84.

e. FEDVIP

- (1) OPM Benefits Administration Letters;
- (2) 5 CFR, part 894;
- (3) 5 U.S.C., chapter 89A (Enhanced Dental Benefits); and

(4) 5 U.S.C., chapter 89B (Enhanced Vision Benefits).

f. **FSAFEDS**

- (1) FSAFEDS Booklet, “FSAFEDS Summary of Benefits with Frequently Asked Questions”;
- (2) OPM Benefits Administration Letters; and
- (3) 26 U.S.C. § 125.

g. **FLTCIP**

- (1) FLTCIP Booklet, “Benefit Booklet: The Federal Long Term Care Insurance Program”;
- (2) OPM Benefits Administration Letters;
- (3) 5 CFR, part 875; and
- (4) 5 U.S.C., § § 9001-9008.

h. **VA Child Care Subsidy Program**

- (1) Public Law 106-58, Section 643;
- (2) Public Law 107-67, Section 630; and
- (3) 5 CFR, part 792.

i. **U.S. Flag Recognition Benefit [and Office of Personnel Management (OPM) Wall of Honor Recognition] for Deceased Federal Civilian Employees**

- (1) [5 U.S.C. § 2105, \[Employee\]](#);
- (2) [5 U.S.C. § 5570, \[Compensation for disability or death\]](#);
- (3) [\[18 U.S.C. § 2331, Definitions\]](#);
- (4) [P.L. 112-73, Civilian Service Recognition Act of 2011](#);
- (5) [C.F.R., part 550, subpart O, \[Flag Recognition Benefit for Fallen Civilian Employees; and](#)
- (6) [\[VA Financial Policy Volume XVI.\]](#)

j. Phased Retirement

- (1) 5 CFR, part 831, subpart Q;
- (2) 5 CFR, part 848;
- (3) 5 U.S.C. §8336a;

(4) 5 U.S.C. § 8412a;

(5) OPM Benefits Administration Letters 14-106, 14-108, 14-109, 14-110; and

(6) Public Law 112-141.]

