

**BY ORDER OF THE
SECRETARY OF THE AIR FORCE**

AIR FORCE MANUAL 34-302

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Services

**NONAPPROPRIATED FUNDS (NAF)
PERSONNEL BENEFIT PROGRAMS**

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This manual implements Air Force Policy Directive (AFPD) 34-3, *Nonappropriated Funds Personnel Management and Administration*, Air Force Instruction (AFI) 34-301, *Nonappropriated Funds Personnel Management and Administration* and implements sections from Department of Defense Health Benefits Program and Department of Defense Instruction (DoDI) 1400.25, Volume 1408, *DoD Civilian Personnel Management System: Insurance and Annuities for Nonappropriated Fund (NAF) Employees*. It also implements the workers' compensation program for injured nonappropriated fund employees covered by the *Longshore and Harbor Workers' Compensation Act*, Title 33 United States Code (USC) Section (§) 901, as extended by the *Nonappropriated Fund Instrumentalities Act*, 5 USC §§ 8171-8173. This manual applies to Air Force nonappropriated fund employees. This publication does not apply to uniformed members of the Regular Air Force, Air Force Reserve or Air National Guard components; employees of private organizations; appropriated fund civilian employees; independent contractors; individuals who work for contractors and concessionaires; certain local and third-country national employees, and Army and Air Force Exchange Service employees. This publication also does not apply to the United States Space Force, as the United States Air Force administers all nonappropriated fund instrumentalities on USSF installations. In collaboration with the Chief of Air Force Reserve (AF/RE) and Director of the Air National Guard (NGB/CF), the Deputy Chief of Staff for Manpower, Personnel and Services (AF/A1) develops personnel policy for nonappropriated fund civilian positions. Ensure all records generated as a result of processes prescribed in this publication adhere to Air Force Instruction 33-322, *Records Management and Information Governance Program*, and are disposed in accordance with the Air Force Records Disposition Schedule, which is located in the Air Force Records Information Management System. See

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SUMMARY OF CHANGES

This manual has been changed and must be completely reviewed. Changes include: updates of DoD directives and instructions for nonappropriated fund employees, changes in office symbols, updates to responsibilities and authorities, and related publications.

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Chapter 1

OVERVIEW

1.1. Air Force Policy. The Air Force Policy Directive 34-3, *Nonappropriated Funds Personnel Management and Administration*, establishes policies and programs to ensure the Air Force enhances the morale of its civilian nonappropriated fund employees by establishing and utilizing the most cost-effective use of labor to maximize return on investment.

1.2. Benefit Programs. Consistent with similar programs offered to employees of the Department of Defense and certain employees in the private sector, the Air Force will operate a nonappropriated fund employee benefits and entitlement programs.

Chapter 2

ROLES AND RESPONSIBILITIES

2.1. The Deputy Chief of Staff for Manpower, Personnel, and Services (AF/A1). Develops, coordinates, and executes nonappropriated fund civilian personnel policy and essential procedural guidance for the management of programs in this manual.

2.2. Director, Civilian Force Management Directorate (AF/A1C):

2.2.1. Publishes appropriate headquarters level guidance.

2.2.2. Designated as waiver authority for the civilian nonappropriated fund personnel program.

2.3. Compensation and Workforce Management Division (AF/A1CP) should:

2.3.1. Develop Air Force-wide policy and guidance for nonappropriated fund civilian personnel policy.

2.3.2. Provide guidance on provisions of this manual.

2.3.3. Monitor programs and assess implementation to ensure compliance with this manual.

2.4. Air Force Services Center, Human Resources and Benefits Division should:

2.4.1. Provide operational guidance and policy interpretation.

2.4.2. Advise and educate managers, supervisors, employees, employee representatives, and any other officials or authorized personnel on the provisions of the nonappropriated fund benefit programs.

2.4.3. Coordinate with Major Command (MAJCOM) offices for developing initiatives.

2.4.4. Provide support and guidance and serve as point of contact for questions.

2.5. MAJCOMs should:

2.5.1. Provide supplemental procedures as needed.

2.5.2. Advise and assist Human Resources Officers.

2.6. Commanders and Directors should:

2.6.1. Implement civilian nonappropriated fund benefit programs within their activities that comply with legal and regulatory requirements.

2.6.2. Communicate to nonappropriated fund civilian employees the overall expectations governing civilian conduct and responsibilities.

2.7. Human Resources Office should:

2.7.1. Assist commanders, managers, and supervisors in administering the nonappropriated fund benefit programs.

2.7.2. Ensure all personnel actions comply with law, regulation, and policy.

2.8. Supervisors should:

2.8.1. Promote good employee-management relations by providing employees with benefits information on employee bulletin boards and handouts.

2.8.2. Contact Human Resources Office for guidance concerning courses of action regarding employee benefits.

2.9. Employees should:

2.9.1. Responsibly discharge assigned duties.

2.9.2. Respect the administrative authority of those directing their work.

2.9.3. Observe laws, regulations, and policies governing employee conduct and responsibility.

Chapter 3

NONAPPROPRIATED FUND EMPLOYEE RETIREMENT PLAN

3.1. Plan Administration Responsibilities. Air Force Services Center has overall responsibility for administration of the nonappropriated fund employee retirement plan. Base-level Human Resources Offices are the benefits administration points of contact for nonappropriated fund employees and Air Force Services Center. This manual outlines guidance Human Resources Offices should follow to properly administer the plan.

3.2. Plan Enrollment. The Human Resources Office counsels potential participants by informing employees about the plan and its provisions so they can decide whether to join or waive participation in the plan. The Human Resources Office must:

3.2.1. Explain the plan's benefits outlined in the Summary Plan Description and answer questions. **(T-3)**. The Summary Plan Description can be accessed by visiting the Services Installation Support Portal at: NAF Benefits and Insurance (dps.mil).

3.2.2. Advise eligible employees of the plan's benefits when they are hired or when they otherwise become eligible. **(T-3)**

3.2.3. Inform former Air Force nonappropriated fund employees rehired in a regular employment category within a period of 60 calendar days, who previously participated in the plan, that the interim period may be included in credited service. **(T-3)** If the employee elects to reenroll, they must reenroll within 30 calendar days and redeposit any contributions they withdrew when they terminated employment.

3.2.4. Obtain employee signatures on the checklist to confirm that they received the counseling. **(T-3)**

3.3. Determining Eligibility. Eligible employees must:

3.3.1. Be regular civilian employees with 1 year of regular nonappropriated fund service. **(T-3)** Excludes off-duty military employees.

3.3.2. Work for a Nonappropriated Fund Instrumentality in the United States. **(T-3)** If working outside the United States, employees must be employed on the United States payroll and have a Social Security Number or Individual Tax Identification Number. **(T-3)** Employees must also be subject to United States federal income tax.

3.3.3. Not be subject to a Status of Forces Agreement provision that precludes eligibility. **(T-3)**

3.4. Explaining Accrued Annuity Rights of Former Department of Defense Nonappropriated Funds Employees. A new Air Force nonappropriated fund employee who previously worked for another Department of Defense component can carry forward accrued annuity rights (credited service) into the plan if they:

3.4.1. Stopped working for the other component less than 90 calendar days before their rehire as a regular full-time or regular part-time Air Force nonappropriated fund employee.

3.4.2. Participated in the retirement plan of their previous Department of Defense component and did not leave their former employment through retirement.

3.4.3. When an employee, who carried over accrued annuity rights, retires from Air Force nonappropriated fund service, the Air Force Services Center Benefits and Insurance Branch must:

3.4.3.1. Calculate the employee's annuity as if the entire period of combined creditable nonappropriated fund service were under the plan. **(T-3)**

3.4.3.2. Then reduces the annuity by the amount payable (assuming full vesting) from the former plan. **(T-3)**

3.4.3.3. The Human Resources Office must:

3.4.3.3.1. Counsel former Department of Defense nonappropriated fund employees about retaining credited service benefits. **(T-3)**

3.4.3.3.2. Inform them they must enroll in the plan within 90 calendar days of termination of employment with the other component. **(T-3)**

3.4.3.3.3. Complete the appropriate portions of AF Form 2388, *Participation Information (AF NAF Retirement Plan)*, Section I, to reflect participation in the former Department of Defense plan. **(T-3)**

3.5. Processing Rehired Annuitants. Retirement annuity payments cease immediately when an annuitant begins working again as a regular full-time or regular part-time employee. In such cases, the Human Resources Office must:

3.5.1. Notify Air Force Services Center Benefits and Insurance Branch immediately. **(T-3)**

3.5.2. Provide Air Force Services Center Benefits and Insurance Branch a copy of AF Form 2545, *NAFI Notification of Personnel Action*, documenting the change in employment category. **(T-3)**

3.6. Processing Enrollments in the plan. The enrollment waiting period is 1 year. The Human Resources Office must:

3.6.1. Verify eligibility. **(T-3)** Regular full-time or regular part-time employees with 1 year of regular nonappropriated fund service may join the plan.

3.6.2. Advise employees who enroll in the plan within 30 calendar days of eligibility they receive credit for the 1-year waiting period. **(T-3)**

3.6.3. Make sure each employee joining the plan fills out AF Form 2388 (Parts I and V). **(T-3)**

3.6.4. Give the employee a copy of the Summary Plan Description. **(T-3)**

3.6.5. Forward a copy of the AF Form 2388 to Air Force Services Center Benefits and Insurance Branch within 1 week of the effective date of enrollment (the first day of the pay period that follows the signing of the form). **(T-3)**

3.6.6. Put the original copy of the enrollment form on the right side of the employee's Official Personnel Folder. **(T-3)**

3.6.7. Explain to employees that they may not dis-enroll from the retirement plan. **(T-3)**

3.7. Processing Waivers of Enrollment. If an employee does not enroll, the Human Resources Office will:

3.7.1. Complete AF Form 2388 (Parts I and V) and note that the employee chose not to enroll. **(T-3)** If an employee refuses to sign this form, include an explanation of why the form was not signed. **(T-3)**

3.7.2. Forward a copy of the AF Form 2388 to the Air Force Services Center Benefits Branch within one week of the effective date of the waiver. **(T-3)**

3.7.3. Place the waiver on the right side of the Official Personnel File. **(T-3)**

3.8. Clarifying Previous Participation Status. An employee who previously participated in the plan must answer all questions on the AF Form 2388 regarding previous participation. **(T-3)** If the employee withdrew contributions and does not want to redeposit the withdrawn sum, the Human Resources Office must make sure that the employee indicates as such on the form. **(T-3)** In such cases, the employee joins the plan as a new participant.

3.9. Reinstating Prior Service. An employee who wants to redeposit withdrawn contributions to reinstate prior Air Force nonappropriated fund credit fills in Part II of AF Form 2388.

3.9.1. The Air Force Services Center Benefits and Insurance Branch informs the employee how much to redeposit. The following guidelines apply:

3.9.1.1. Employees must redeposit the specified amount within 180 calendar days of the most recent date of plan eligibility. **(T-3)**

3.9.1.2. Withdrawals of less than \$2,000 are not subject to interest.

3.9.1.3. Any interest due is based on the prevailing rate of interest at the time of the redeposit.

3.9.1.4. Employees cannot get credit for noncontributory service that took place before 1 January 1976 if they forfeited that credit by voluntarily withdrawing contributions. In this case, a redeposit only reinstates credit for prior Air Force nonappropriated fund contributory service. When the employee makes the redeposit, Air Force Services Center Benefits and Insurance Branch advises the Human Resources Office, by letter. The Human Resources Office then gives the employee a copy of the redeposit confirmation letter and puts the original on the right side of the employee's Official Personnel File.

3.10. Delaying Enrollment. An employee who does not enroll when first eligible may enroll at a later date, without expiration, during regular full-time service. The effective date of enrollment is the first day of the pay period following signing of the enrollment form.

3.11. Terminating Eligibility. When an employee is no longer eligible to participate in the plan, the Human Resources Office gives the employee options from which to choose. The choices depend on why the employee is no longer eligible. The Human Resources Office:

3.11.1. Counsels the employee regarding the available options.

3.11.2. Documents the employee's election on AF Form 2391, *Termination Information (Air Force NAF Retirement Plan)* (Parts I and IV).

3.11.3. Sends a copy of the AF Form 2391 to Air Force Services Center Benefits and Insurance Branch within 1 week after the employee's termination of eligibility.

3.11.4. Files the original on the right side of the employee Official Personnel File.

3.12. Explaining Employee Options.

3.12.1. When employment ends with less than 5 years of credited service, the employee receives a refund of contributions.

3.12.2. When employment ends with more than 5 years of credited service, the employee may take a refund or a deferred annuity.

3.12.3. When loss of eligibility results from changing to an ineligible employment category with less than 5 years of credited service, the employee must take a refund.

3.12.4. When loss of eligibility results from changing to an ineligible employment category after more than 5 years of credited service, the employee may take a refund or a deferred annuity.

3.13. Processing Refunds and Deferred Annuities.

3.13.1. Processing a Refund. To process a refund, the Human Resources Office completes and forwards AF Form 2391 to Air Force Services Center Benefits and Insurance Branch.

3.13.2. Processing a Deferred Annuity. To process a deferred annuity request, the Human Resources Office documents the employee's high-three annual average earnings within the last 10 years by using copies of AF Form 2545, and forwards them with AF Form 2391, the final AF Form 2545 and AF Form 2395, *Evidence of Age (Air Force Nonappropriated Fund Retirement Plan)*, with attached supporting documentation to Air Force Services Center Benefits and Insurance Branch.

3.14. Notifying Payroll. The Human Resources Office enters data for payroll use in Defense Civilian Personnel Data System for all enrollments and changes before the effective date to avoid delays or administrative problems.

3.15. Processing Deaths in Service.

3.15.1. Notifying Authorities. When a participating employee dies, the Human Resources Office notifies Air Force Services Center Benefits and Insurance Branch. Use AF Form 2391 (Part III A) and include a death certificate from the Board of Health or Registrar of Vital Statistics. Death notification should be within 2 weeks or as soon as the death certificate becomes available.

3.15.2. Surviving Spouse Annuity. Complete Part III B of AF Form 2391 for an employee with at least 5 years of credited service and an eligible surviving spouse. To be eligible, a surviving spouse must have been married to the deceased employee for at least 1 year or be the parent of a biological or adopted child of the marriage with the participant. Include proof of survivor eligibility and a copy of AF Form 2545 documenting the death.

3.15.3. Coordinating with Other Programs. Surviving spouse annuities may be coordinated with Social Security benefits, Workers' Compensation, or comparable benefits from similar foreign government plans. Note the spouse's eligibility for any of these benefits on AF Form 2391, Part III.

3.15.4. Forward a copy of all such awards to Air Force Services Center Benefits and Insurance Branch with the other documentation. Air Force Services Center Benefits and Insurance Branch determines the annuity benefit payable and contacts the spouse regarding payment options.

3.15.5. Receiving a Lump-Sum Payment. When no eligible surviving spouse exists, the deceased participant's designated beneficiary or beneficiaries receive a lump-sum payment equal to the employee's contributions plus interest.

3.16. Explaining Retirement Options and Processes.

3.16.1. Notifying in Advance. Encourage employees to contact the Human Resources Office at least 3 months before they plan to retire. Advance notice gives enough time to promptly process the employee's initial annuity payment.

3.16.2. Normal Retirement. To retire under the plan's "normal retirement" provisions, an employee must be 65 years old. **(T-3)** See the Summary Plan Description for examples of retirement benefit calculations.

3.16.3. Early Retirement.

3.16.3.1. Voluntary Early Retirement. To retire under the plan's "voluntary early retirement" provisions, an employee must meet one of these three sets of criteria:

3.16.3.1.1. Be at least 62-years old with 5 years of credited service.

3.16.3.1.2. Be at least 60-years old with 20 years of credited service.

3.16.3.1.3. Be at least 55-years old with 30 years of credited service.

3.16.3.2. Optional Early Retirement. To retire under the plan's "optional early retirement" provisions, the employee must be at least 52-years old and have at least 5 years of credited service.

3.16.3.3. Involuntary Retirement. To retire under the "involuntary retirement" provisions, due to a business-based action, the employee must meet one of these two criteria:

3.16.3.3.1. Have at least 25 years of credited service.

3.16.3.3.2. Be at least 50 years old with 20 years of credited service.

3.16.3.4. Special Provisions for Early Retirement Annuities.

3.16.3.4.1. Before Age 62. Annuities (other than for involuntary retirement) received before age 62 are reduced by 4 percent per year for each year retirement precedes age 62. Annuities are not reduced if an employee delays receiving the annuity until age 62.

3.16.3.4.2. Before Age 55. Involuntary retirement annuities that start before age 55 are reduced by 2 percent per year for each year retirement precedes age 55.

3.16.3.4.3. Social Security Supplement. Annuity payments received prior to age 62 include a Social Security supplement, which discontinues when the employee reaches age 62 and can receive Social Security benefits.

3.16.3.5. Delayed Retirement. To retire under the "delayed retirement" provisions, the employee must be older than age 65. **(T-3)**. The Social Security benefit used to calculate the annuity payable will be limited to the benefit that would have been payable at age 65. **(T-3)**

3.16.3.6. Getting Social Security Information. The Human Resources Office will advise retirement eligible employees to contact the Social Security Administration for retirement

benefit information. **(T-3)**. The required information depends on the age of the employee and the effective date of retirement.

- 3.16.3.6.1. Age 62 to 65. If at least 62 but less than 66, the employee must provide a copy of the Social Security award, indicating the income benefit payable based on the employee's age at retirement. **(T-3)** An employee who is not applying for Social Security income benefits must get a written estimate of the amount payable, in lieu of the actual award. **(T-3)**
- 3.16.3.6.2. Age 66 or Older. If 66 or older, the employee must get a statement verifying the benefit amount that Social Security would have paid beginning at age 65 if the employee had applied at that time. The member can get these statements from the local Social Security office.
- 3.16.3.7. Filling out the Retirement Application. The Human Resources Office must:
 - 3.16.3.7.1. Help the employee complete the retirement documentation, AF Forms 2391 (Part II and signature) and 2395 and include: **(T-3)**
 - 3.16.3.7.2. Copies of AF Forms 2545 to verify high-three annual earnings within the last 10 years. **(T-3)**
 - 3.16.3.7.3. AF Form 2545 indicating the effective date of separation for retirement. **(T-3)**
 - 3.16.3.7.4. Estimated number of hours of unused sick leave remaining for the employee as of the date of separation. **(T-3)** **Note:** Credited service includes unused sick leave. Air Force Services Center Benefits and Insurance Branch contacts the Human Resources Office soon after the employee's separation to get the final balance.
 - 3.16.3.7.5. Standard Form 1199A, *Direct Deposit* or equivalent. **(T-3)**
 - 3.16.3.7.6. Forward all documents to Air Force Services Center Benefits and Insurance Branch no later than 60 calendar days before the effective date of retirement. The Human Resources Office must meet this deadline to ensure prompt processing of the employee's first annuity payment. **(T-3)**
 - 3.16.3.7.7. Place a copy of all documentation on the right side of the employee's Official Personnel File.
 - 3.16.3.7.8. Inform the retiring employee that the member's point of contact transfers for retirement purposes from the Human Resources Office to Air Force Services Center Benefits and Insurance Branch as of the effective date of retirement.

3.17. Explaining Survivor Annuity Options. The Human Resources Office must counsel employees regarding the option to elect a reduced annuity with payment to continue to a designated survivor upon the employee's death. **(T-3)** To consider the survivor annuity option, complete AF Form 2391 (Part III) regarding the survivor. If the survivor is other than a spouse, complete AF Form 2395 for that person.

3.17.1. Available options include:

- 3.17.1.1. Married employees may elect a 10 percent annuity reduction with a continuing 55 percent survivor annuity for their spouse.

3.17.1.2. For an employee who designates someone other than a spouse to receive the survivor annuity, the plan reduces the employee's annuity actuarially to fund the survivor annuity. The survivor annuity reduction discontinues if all persons named to receive a survivor annuity predecease the retiree.

3.17.1.3. Making Choices. After Air Force Services Center Benefits and Insurance Branch notifies the employee of the amount of the annuity benefit and the survivor annuity benefit (if applicable), the employee chooses the form of annuity payment as well as other options.

3.18. Processing Disability Benefits.

3.18.1. Becoming Eligible. Total and permanent disability is an illness or injury severe enough to prevent working in any gainful occupation relative to the employee's education, training, experience, and economic status. These requirements closely parallel those of the Social Security Administration. If a participating employee, with at least 5 years in the plan, becomes ill or is injured so that "total and permanent disability" results, the employee may be eligible for a disability annuity benefit.

3.18.2. Applying for Benefits. If the disease or injury results in terminating the employee for disability, the Human Resources Office advises the employee that they may apply to the Air Force Services Center Benefits and Insurance Branch for a disability benefit. The Air Force Services Center Benefits and Insurance Branch provides the employee an estimate of the amount of disability benefit, subject to approving the employee's application.

3.18.3. Preparing the Application. The Human Resources Office helps the employee prepare the benefit application letter, including the employee's:

3.18.3.1. Name.

3.18.3.2. Social Security Number.

3.18.3.3. Current mailing address.

3.18.3.4. Medical reports supporting the disability.

3.18.3.5. Copy of the employee's application to the Social Security Administration for disability income, or if the employee's application was previously adjudicated by Social Security, a copy of their determination.

3.18.3.6. Medical reports from a legally qualified physician, as defined by Department of Labor standard, i.e., Board-certified in the medical specialty relevant to the covered illness; and training and certified using American Medical Association Guides to the evaluation of the employee's permanent impairment attesting to reasons for the claimed total and permanent disability.

3.18.3.7. Sick leave balance, if any.

3.18.3.8. Copies of AF Forms 2545 documenting the employee's high-three annual earnings within the last 10 years and terminating employment for disability.

3.18.4. Social Security and Disability. Despite termination for disability, the employee might not meet the conditions for total and permanent disability. Sometimes when the employee qualifies for Social Security disability income (offset against plan benefits), the employee might receive very little or no disability annuity benefit. The Human Resources Office advises

the employee they may choose a deferred annuity or early retirement in lieu of disability benefits.

3.18.5. Continuing Eligibility. When the Air Force Services Center Benefits and Insurance Branch approves a disability annuity benefit, the employee must periodically verify continuing and total disability. (T-3) The employee must get verification from a physician annually and send it to the Air Force Services Center Benefits and Insurance Branch or disability annuity payments will stop.

3.19. Administering Benefit Payments (Refunds, Annuities, and Death Benefits). The plan administrator sends benefit payments as soon as possible. Prompt payment depends on receiving all documentation to establish eligibility and determine benefits. The plan administrator usually processes contribution refunds within 1 month after receipt of documentation. Retirement and disability annuities are payable on the first calendar day of the month after the participant separates for retirement or disability. Allow approximately 2 months for receipt of the initial payment. Death benefits are paid as soon as possible, usually no later than 1 month after Air Force Services Center Benefits and Insurance Branch receives all required documentation.

3.20. Providing Benefit Estimates. Employees can receive an estimate of retirement benefits by visiting the Services Installation Support Portal at: <https://usaf.dps.mil/sites/10042/Lists/RetireCalc/Item/newifs.aspx?List=62293fce-6a6d-44ee-8a49-e997324f32f9&Source=https%3a//usaf.dps.mil/sites/10042/Lists/RetireCalc/AllItems.aspx&RootFolder=/sites/10042/Lists/RetireCalc&Web=2d10c133-c763-4c06-bb9b-fcdbb261bf4e>

3.20.1. Getting an Estimate of Retirement Benefits. The Human Resources Office forwards a letter of request, along with the employee's current sick leave balance. If age 62 or over, the employee also provides an estimate of the employee's Social Security award as of the date of anticipated retirement.

3.20.2. Getting an Estimate of Deferred Annuity Benefits. Employees who are eligible for a deferred annuity may request an estimate of the deferred amount payable from Air Force Services Center Benefits and Insurance Branch before deciding whether to take the annuity or a refund of contributions. See the Summary Plan Description for additional information concerning benefit formulas and estimating benefit amounts.

3.21. Taking Leave Without Pay. When an employee is in Leave Without Pay status for over 30 calendar days, the Human Resources Office sends a copy of AF Form 2545 to Air Force Services Center Benefits and Insurance Branch documenting the effective date of Leave Without Pay. Terms are:

3.21.1. Leave Without Pay will not exceed 1 year, except for military furlough (an employee who is inducted or recalled to active duty in one of the Armed Forces) and absences related to workers' compensation cases where benefit payments are made as defined by 5 USC, Chapter 1, Subpart A- *General Provisions*, § 353.101 and 102 and Subpart B-*Uniformed Service*, § 353.203, *Length of service*.

3.21.2. Credited service may not exceed 5 years for military furlough or 2 years for absences related to workers' compensation cases.

3.21.3. In all cases, credited service requires the employee to return to Air Force Nonappropriated Funds employment within 90 calendar days after Leave Without Pay expires or the employee is discharged from military service.

3.21.4. If a regular full-time or regular part-time employee participating in the plan receives Leave Without Pay to move with head of household, the Human Resources Offices forwards a copy of the AF Form 2545 that documents Leave Without Pay to Air Force Services Center.

3.22. Establishing a Beneficiary Designation. An employee must designate a beneficiary or beneficiaries when first enrolling in the plan. **(T-3)** A beneficiary receives any lump sum of contributions and interest payable when a participant dies. The beneficiary may or may not be the same survivor annuitant named at retirement or termination for disability. To change the beneficiary designation, the employee completes AF Form 2388 (Part IV). The Human Resources Office forwards a copy to Air Force Services Center Benefits and Insurance Branch and files the original in the employee's Official Personnel Folder.

Chapter 4

NONAPPROPRIATED FUND GROUP HEALTH BENEFITS PROGRAM

4.1. Program Overview.

4.1.1. Definitions. The Department of Defense Health Benefits Program is a uniform health insurance program available to eligible nonappropriated fund employees, retirees, and their family members. The Department of Defense Health Benefits Plan consists of the Preferred Provider Organization Network and Traditional-Indemnity Medical Plans, the Dental Plan, and the Stand Alone Dental Plan. Plan participants living in the Continental United States access medical care through the Preferred Provider Organization Network Plan or the Traditional-Indemnity Plan, depending on their geographic location. Plan participants residing overseas use the Traditional-Indemnity Medical Plan. Dental coverage is offered to participants through the Department of Defense Health Benefits Plan Dental Plan or the Stand Alone Dental Plan. The Stand Alone Dental Plan is an insured product, procured separately by the Department of Defense Health Benefits Plan Committee. Under an insured arrangement, the Administrator/Carrier assumes all the risk and claim liability. The Department of Defense Health Benefits Plan medical and dental plans are self-insured. This means they provide benefits without the purchase of commercial insurance. In this case, a third-party administrator provides access to networks of health and dental care providers and services, and also performs claims administration services. Under the self-insured arrangement, the Air Force pays its pro-rata share of administrative and claim-payment expenses using the employee and employer contributions deposited into the Air Force Insurance Fund. Participation in the program is voluntary.

4.1.2. The Department of Defense Health Benefits Plan provides an efficient way for employees and retirees to maintain a measure of security for themselves and their family members in the event of illness or injury.

4.1.3. Obtaining Information and Program Documents.

4.1.3.1. Nonappropriated Fund Human Resources Office should forward technical questions, requests for additional supplies and information, and comments pertaining to the management and administration of the Department of Defense Health Benefits Plan on to the Air Force Services Center Benefits and Insurance Branch.

4.1.3.2. Direct inquiries related to the status or payment of claims, pre-certification procedures, and covered medical and dental expenses to the Administrator/Carrier at the toll-free number listed on the covered participant's identification card or online through the Administrator/Carrier's Customer Service Website.

4.1.3.3. Applicable Documents:

4.1.3.3.1. The Summary Plan Description refers to the applicable health and dental benefits information booklet related to eligibility, covered and excluded benefits, coordination of benefits, continuing coverage programs, and other plan-related information. If an employee enrolls in health coverage under the Department of Defense Health Benefits Plan, the applicable Summary Plan Description depends on the medical plan type offered by geographical location, either the Preferred Provider Organization or the Traditional-Indemnity Plan. Separate Summary Plan Descriptions

apply to dental coverage under the Department of Defense Health Benefits Plan and the Summary Plan Description plans.

4.1.3.3.2. Flexible Benefits Plan Documents. The Flexible Benefits Plan gives nonappropriated fund employees enrolled in the Department of Defense Health Benefits Plan for the Summary Plan Description the option to pay contributions with pre-tax earnings. The Human Resources Office and Flexible Benefits Plan participants coordinate plan enrollments, changes, and cancellations using this chapter.

4.1.3.3.3. Department of Defense Health Benefits Plan Policy Document. For Department of Defense Health Benefits Plan policy guidance, refer to DoDI 1400.25, Volume 1408, *DoD Civilian Personnel Management System: Insurance and Annuities for Nonappropriated Fund (NAF) Employees*.

4.2. Roles and Responsibilities.

4.2.1. Department of Defense Nonappropriated Fund Employee Benefits Committee reviews Department of Defense Health Benefits Plan matters and develops policy recommendations for Department of Defense consideration. The Committee recommends the kinds and levels of benefits the Department of Defense Nonappropriated Fund Health Benefit Plan provides based upon such factors as cost, mainstream private and public sector practice, and health benefits as an element of the total compensation package necessary to recruit and retain productive employees. The Committee is chaired by a member of the Defense Civilian Personnel Advisory Service Nonappropriated Fund Personnel Policy Division and is composed of representatives from that division and members the Department of Defense Nonappropriated Fund Components.

4.2.2. Air Force Services Center Benefits and Insurance Branch provides general oversight, management, day-to-day administration of the Department of Defense Health Benefits Plan, its continuing coverage program, and publishes instructional material. An Air Force Services Center Benefits and Insurance Branch representative is a member of the Department of Defense Health Benefits Plan Employee Benefits Committee.

4.2.3. The installation Human Resources Office performs routine installation-level administration as instructed in this Air Force Manual, the Department of Defense Health Benefits Plan Policy, applicable Summary Plan Description, and administrative guidance provided by the Air Force Services Center or Administrator/Carrier.

4.2.4. Air Force Services Center Shared Service Center Payroll Branch processes the collection of employee and employer contributions associated with plan participation as instructed by Air Force Services Financial Management System payroll procedures.

4.2.5. The Administrator/Carrier will:

4.2.5.1. Perform tasks concerning administration of the Preferred Provider Organization Network and Traditional-Indemnity Medical Plans, the Department of Defense Health Benefits Plan Dental Plan, and the Stand Alone Dental. **(T-3)**

4.2.5.2. Provide customer service functions; administer and pay claims; and provide information and assistance on premium setting and reserve funding. **(T-3)**

4.2.5.3. Provide expert advice on health and dental benefits management matters; establish Summary Plan Description content and publish and distribute Summary Plan Description. **(T-3)**

4.2.5.4. Develop and supply employee communications; provide administrative assistance during the Open Enrollment Period; maintain participant information; and provide evaluation reports on medical and dental plans. **(T-3)**

4.3. Human Resources Office.

4.3.1. Determine Eligibility for Participation. Employees, retirees, and their eligible family members may not be excluded from coverage because of a pre-existing condition. The requirements below, and those listed in the Summary Plan Descriptions, establish the eligibility criteria for participation in medical and dental coverage under the Department of Defense Health Benefits Plan or the Stand Alone Dental. Medical coverage is offered to employees through a Preferred Provider Organization network Plan or a Traditional-Indemnity Plan, depending on the person's geographic location. (For retirees, the medical plan offered depends on the place of residence or eligibility for Medicare.) Dental coverage is optional. Employees who elect dental coverage have two enrollment options: either they may enroll in the Department of Defense Health Benefits Plan dental plan or they may enroll in the Stand Alone Dental only. Retirees may continue their Department of Defense Health Benefits Plan dental coverage associated with their Department of Defense Health Benefits Plan medical plan, if upon retirement, they meet the enrollment requirements. Otherwise, retirees are not eligible for the Stand Alone Dental Plan. Employees are not required to participate in a separate benefit program, such as life insurance, to be eligible for Department of Defense Health Benefits Plan coverage. **Exception:** If employees want Department of Defense Health Benefits Plan medical and dental coverage upon retirement (i.e., Post-Retirement Medical coverage), they must be enrolled in a Retirement Plan and be eligible for an immediate annuity. **(T-3)** Employees not participating in a Retirement Plan, do not qualify for retiree Post-Retirement Medical coverage.

4.3.1.1. Active Employees.

4.3.1.1.1. Regular civilian nonappropriated fund employees are eligible if they are scheduled to work at least 20 hours per week, are employed on the United States dollar payroll, have a social security number or individual tax identification number, and are subject to United States federal income tax.

4.3.1.1.2. Eligibility following employee move from appropriated fund position to a nonappropriated fund position (portability move). Health insurance is not portable, regardless of an employee's retirement system election. Appropriated Fund employees moved to nonappropriated fund positions (whether involuntary or voluntary) may elect to enroll in the Department of Defense Health Benefits Plan within 31 calendar days of appointment to a nonappropriated fund position. They may not remain in the Federal Employees Health Benefits Program. Contact the Air Force Services Center Benefits and Insurance Branch for guidance on processing a portability-related enrollment under the Department of Defense Health Benefits Plan.

4.3.1.2. Former Employee/Retirees. Eligibility for Post-Retirement Medical and Dental Coverage. Former employees/retirees are eligible to continue participation in the Department of Defense Health Benefits Plan, excluding the Stand Alone Dental. Notify the

Air Force Services Center Benefits and Insurance Branch of former employees/retirees eligible for Post-Retirement Medical coverage within 31 calendar days of the eligibility date. Former employees/retirees must meet all of the following requirements. **(T-3)**

4.3.1.2.1. Enrollment. Employees must be enrolled in the Department of Defense Health Benefits Plan medical plan (and Department of Defense Health Benefits dental plan, if applicable) on the day before termination of employment. **(T-3)**

4.3.1.2.2. Participation. Have 15 years cumulative participation in any combination of nonappropriated fund employer health plans existing before 1 January 2000, and the Department of Defense Health Benefits Plan medical and dental plans. **(T-3)** Participation in either the health or dental plan does not have to be continuous and is not affected by breaks in service.

4.3.1.2.3. Credit for Federal Employees Health Benefits Program Participation. Continuous participation in the Federal Employees Health Benefits Program as of the day before a move from an appropriated fund position to a nonappropriated fund position, on or after 1 January 1987, without a break in service of more than 3 calendar days, will be credited towards the 15 year cumulative participation requirement. **(T-3)**

4.3.1.2.4. Circumstances Allowing Waivers of 15 Years Participation.

4.3.1.2.4.1. Involuntary Movement from an appropriated fund position to a nonappropriated fund position. The health and dental plan requirement for 15 years cumulative participation is waived for employees who had 5 years of continuous enrollment in the Federal Employees Health Benefits Program on the day before being involuntarily moved from an appropriated fund position to a nonappropriated fund position. The move must have occurred on or after 1 January 1987, without a break in service of more than 3 calendar days. In this circumstance, an involuntary move occurs when the employee's appropriated fund position is abolished in the appropriated fund employment system and reestablished in the nonappropriated fund employment system.

4.3.1.2.4.2. Movement from an appropriated fund position to a nonappropriated fund position under 10 USC § 2491, *Uniform funding and management of morale, welfare, and recreation programs*. The health and dental plan requirement for 15 years cumulative participation is waived for employees who had 5 years of continuous enrollment in the Federal Employees Health Benefits Program on the day before moving from an appropriated fund position to a nonappropriated fund position under the Uniform Funding Management authority granted by 10 USC § 2491. The employee must have been the incumbent of a position that the employer moved from appropriated fund to nonappropriated fund under the Uniform Funding Management funding authority and must have moved between the positions without a break in service of more than 1 calendar day. The nonappropriated fund Components are required to document waivers of the 15-year participation requirement for the purpose of Uniform Funding Management and be prepared to report this information to the Office of the Secretary of Defense as requested.

4.3.1.2.4.3. Participation in a nonappropriated fund employer dental plan prior to 1 January 2000. The requirement for 15 years cumulative participation in the dental

plan is waived for employees who participated in a nonappropriated fund employer's dental plan when the nonappropriated fund employer first offered it prior to 1 January 2000, and who have continuously participated in the Department of Defense Health Benefits Plan dental plan.

4.3.1.2.4.4. Retirement Annuity. Former employees/retirees must receive an immediate nonappropriated fund annuity by a monthly annuity check or a lump-sum annuity payment. **(T-3)** The annuity may also be from the Civil Service Retirement System or Federal Employees Retirement System, provided the employee elected to remain covered by the Civil Service Retirement System or the Federal Employees Retirement System as a nonappropriated fund employee.

4.3.1.2.4.5. Post-Retirement Medical/Dental Coverage Election and Termination. Group medical/dental coverage terminates if a former employee separates from nonappropriated fund employment and does not initially elect post-retirement coverage within 31 calendar days of the eligibility date. If a retiree cancels post-retirement coverage for any reason, or fails to pay required premiums, the post-retirement coverage terminates. A former employee/retiree may not have post-retirement medical or dental coverage reinstated, or re-enroll in either coverage during subsequent Open Enrollment Periods.

4.3.1.2.4.6. TRICARE-for-Life. Medicare-eligible retirees, including surviving dependents, may suspend their Department of Defense Health Benefits Plan medical coverage for enrollment in TRICARE-for-Life. TRICARE-for-Life retirees or surviving dependents must also suspend their dental plan participation, if covered by the Department of Defense Health Benefits Plan Dental Plan. **(T-3)** Those who involuntarily lose TRICARE-for-Life may return to Department of Defense Health Benefits Plan health and dental (if applicable) coverage immediately. Otherwise, the retiree or surviving dependent may do so during the next Open Enrollment Period.

4.3.1.3. Dependents. Employees who enroll in the Department of Defense Health Benefits Plan or the Stand Alone Dental may also elect to cover their eligible dependents. Parents of covered employees are not eligible. Refer to the appropriate medical or dental Summary Plan Description for additional details on eligibility criteria for dependents.

4.3.1.3.1. Spouse, including a common-law wife or husband in those states recognizing common-law marriages. Contact the Air Force Services Center Benefits and Insurance Branch for guidance concerning definition of spouse.

4.3.1.3.2. Unmarried children under age 26, including biological, adopted, stepchildren, foster children, grandchildren, and any other children who live with the employee or depend upon the employee for support.

4.3.1.3.3. Unmarried children under age 26, who are full-time students in actual attendance at an accredited educational institution and dependent upon the employee for support (not employed on a regular full-time basis), and children over the age of 26 who are incapable of self-support due to a disability which occurred prior to reaching the maximum age.

4.3.1.3.4. Employees may be required to furnish the Administrator/Carrier with proof of the dependent's eligibility at the time of enrollment (e.g., full-time college student or handicapped dependent, etc.)

4.3.2. Counseling Employees. The Human Resources Office will provide advice and assistance to employees and retirees on the provisions of the Department of Defense Nonappropriated Fund Health Benefit Plan, including distributing communication materials and assisting in proper completion of applicable forms. **(T-3)**

4.3.2.1. Plan Provisions. Describe the plan provisions in the applicable Summary Plan Description and answer related questions so employees can make an informed decision about enrolling in health benefits. Employees may voluntarily enroll in the Department of Defense Health Benefits Plan or Stand Alone Dental. Electronic versions of the Preferred Provider Organization Network or Traditional-Indemnity Plans, Department of Defense Health Benefits Plan Dental, and Stand Alone Dental Summary Plan Descriptions are available at the Air Force Services Center website or upon request from the Air Force Services Center Benefits and Insurance Branch. Employees are responsible for accuracy of deductions and timely reporting of errors or status changes on their Leave and Earnings Statement to the Human Resources Office.

4.3.2.2. Effective Date of Coverage and Payroll Deductions.

4.3.2.2.1. Preferred Provider Organization Network and Traditional-Indemnity Plans. Regular employees are eligible to enroll during the first 31 calendar days after their date of hire or reclassification to an eligible category. Coverage is effective on the day of application (the day the employee signs the enrollment form) if the form is returned to the Human Resources Office within the 31 calendar day eligibility period. Payroll deductions start at the beginning of the pay period in which the coverage is effective.

4.3.2.2.2. Stand Alone Dental Plan. Follow the same enrollment rules as with the Preferred Provider Organization Network and Traditional-Indemnity Plans unless otherwise directed.

4.3.2.3. Contribution Rates.

4.3.2.3.1. The Deputy Assistant Secretary of Defense for Civilian Personnel Policy approves and announces contribution rates for the Department of Defense Health Benefits Plan to the Service Component heads of Nonappropriated Fund Employers each year, based on recommendations from the Department of Defense Health Benefits Plan Committee. The Committee reviews plan provisions and claims utilization reports provided by the Administrator/Carrier to determine its proposed rates recommendation. Air Force Services Center Benefits and Insurance Branch forwards approved rates to installation Human Resources Offices, the Air Force Services Center Shared Service Center, and other Air Force Services Center functional offices for implementation.

4.3.2.3.2. Air Force Services Center Shared Service Center updates tables and processes the approved contribution rates for active employees. Air Force Services Center Benefits and Insurance Branch implements the contribution rates for former employees/retirees.

4.3.2.4. Plan Changes. The Air Force Services Center Benefits and Insurance Branch publicizes any information on benefit or plan changes to former employees and retirees, as required. The Air Force Services Center Benefits and Insurance Branch also handles plan communications, as necessary.

4.3.2.5. Flexible Benefits Plan Eligibility and Provisions.

4.3.2.5.1. Under the Flexible Benefits Plan, group health/dental participants in the Department of Defense Health Benefits Plan/Stand Alone Dental have the option of paying contributions with pre-tax or after-tax earnings. Employees who choose not to enroll in the Flexible Benefits Plan, or later disenrollment from the Flexible Benefits Plan, automatically pay contributions with after-tax earnings.

4.3.2.5.2. Employees enrolled in Flexible Benefits Plan pay contributions with pre-tax earnings. Employees enrolled in Flexible Benefits Plan may not cancel their Department of Defense Health Benefits Plan or Stand Alone Dental coverage until they change their Flexible Benefits Plan election to “after-tax” during the Open Enrollment Period. Refer to [Attachment 2](#), *Qualifying Events for Changing a Flexible Benefits Plan Election* in this manual for more information.

4.3.2.6. Precertification or Advance Claim Review Provisions. These provisions are explained in more detail in the medical and dental Summary Plan Descriptions. Plan participants must obtain precertification from the Administrator/Carrier for certain types of healthcare services identified in the applicable Summary Plan Description to avoid a reduction in benefits.

4.3.2.7. Continuation of Coverage. Refer to the appropriate section of this manual and Summary Plan Description to counsel employees on continuation of coverage based on the circumstance under which an employee or dependent would lose eligibility for group insurance. Notify the Air Force Services Center Benefits and Insurance Branch of employees eligible for continuing coverage within 31 calendar days of the date of eligibility.

4.3.2.8. Conversion of Health Benefits Coverage. Employees, retirees, and dependents losing Department of Defense Health Benefits Plan medical coverage may convert, without a medical exam, to a personal health policy offered by the Administrator/Carrier. If an enrollee resides overseas, the person may not convert unless they return to the United States within 31 calendar days from the date that coverage under the medical plan ceases. The personal policy will take effect on the day after Department of Defense Health Benefits Plan medical coverage ceases, or any Temporary Continuation of Coverage ends. The Department of Defense Health Benefits Plan Medical Summary Plan Description provides detailed application requirements, including specific time periods during which a participant may apply. The conversion provision does not apply to Department of Defense Health Benefits Plan Dental or Stand Alone Dental coverage.

4.3.3. Processing Waivers of Enrollment. If an employee initially declines coverage, have the employee complete and sign a waiver of health and/or dental coverage form and file the form in the employee’s Official Personnel Folder. The Human Resources Office will document the waiver on an AF Form 2545, *NAFI Notification of Personnel Action*, in the Defense Civilian Personnel Data System. **(T-3)** The employee may not enroll in the plan until an Open

Enrollment or Special Enrollment Period. Refer to Department of Defense Health Benefits Plan Policy and the Summary Plan Description regarding special enrollment periods.

4.3.4. Processing Enrollment Elections. The Human Resources Office will enroll eligible employees and dependents electing to participate in the plan and determine their effective date of coverage for payroll deductions, as instructed below. **(T-3)** The Human Resources Office will use the AF Form 2545 to notify the Air Force Services Center Shared Service Center of an employee's plan election and other plan-related information. **(T-3)**

4.3.4.1. If an employee requests coverage within 31 calendar days of hire or reclassification to an eligible employment category, the employee/Human Resources Office must complete an enrollment form. **(T-3)** Make a copy of the employee's enrollment form for suspense (see [paragraph 4.3.4.4](#) below) and forward the original form to the Administrator/Carrier Eligibility Unit as instructed by Air Force Services Center Benefits and Insurance Branch.

4.3.4.2. Process an AF Form 2545 using the applicable plan code provided by Air Force Services Center Benefits and Insurance Branch. The effective date of coverage is the day the employee completes and signs the enrollment form and returns it to the Human Resources Office. Payroll deductions begin with the first day of the pay period during which coverage becomes effective.

4.3.4.3. Employees who do not enroll in the Department of Defense Health Benefits Plan or Stand Alone Dental within the 31 calendar day eligibility period must wait to enroll during the next Open Enrollment Period or, if applicable, during a Special Enrollment Period. **(T-3)**

4.3.4.4. After processing an employee's enrollment form, the Administrator/Carrier will send a change form to the Human Resources Office documenting the employee's benefit election. The change form is filed in the envelope on the right side of the employee's Official Personnel Folder and used later to notify the Administrator/Carrier of an employee's cancellation or change in coverage. The Human Resources Office will temporarily suspend the employee's enrollment form, pending receipt of the change form from the Administrator/Carrier. **(T-3)** If a change form is not received within 2 to 3 weeks, the Human Resources Office will follow-up with the Administrator/Carrier to check the status. **(T-3)** Afterwards, the Human Resources Office files the employee's enrollment form and change form in the Official Personnel Folder.

4.3.5. Processing Changes in Coverage. The Human Resources Office will use AF Form 2545 to notify the Air Force Services Center Shared Service Center of an employee's change in coverage or cancellation, and also process the change form through the Administrator/Carrier according to the Air Force Services Center Benefits and Insurance Branch pre-established procedures. **(T-3)**

4.3.5.1. Cancelling or Terminating Coverage. Coverage ends on the date the employee signs the required cancellation form, or on the date the employee terminates employment, or changes to an ineligible category. An employee does not pay an insurance contribution in the pay period during which the cancellation of coverage occurs.

- 4.3.5.1.1. To cancel coverage at an employee's request, the employee completes and signs a discontinuance of coverage form, which is filed in the employee's Official Personnel Folder.
- 4.3.5.1.2. Special Considerations for Total Disability. If an employee declares disability at the time group coverage ends, refer to the Department of Defense Health Benefit Plan Summary Plan Description to determine if the employee is eligible for continued coverage. Advise individuals who are potentially eligible for Temporary Continuation of Coverage disability coverage to:
- 4.3.5.1.2.1. Obtain a physician's statement as proof of total disability and the prognosis of the disability. Acceptable forms of evidence for total disability include a letter from the person's attending physician, or the Social Security Administration, or a completed medical benefits request claim form.
 - 4.3.5.1.2.2. Send Disability-Temporary Continuation of Coverage request documentation through the Human Resources Office to the Air Force Services Center Benefits and Insurance Branch.
 - 4.3.5.1.2.3. The Air Force Services Center Benefits and Insurance Branch will review the information, determine eligibility for Disability-Temporary Continuation of Coverage provisions, and enroll the disabled employee or family member(s) in the appropriate Temporary Continuation of Coverage Program option. **(T-2)**
- 4.3.5.2. Increasing or Decreasing Coverage. Depending on circumstances, employees may change coverage at any time during the plan year, provided they have not elected to pay their insurance contributions with pre-tax earnings under the Flexible Benefits Plan. If the employee requesting the change is enrolled in the Flexible Benefits Plan, refer to [Attachment 2, *Qualifying Events for Changing a Flexible Benefits Plan Election*](#) in this manual, on the qualifying events (restrictions) for making a change. Changes must be made within 31 calendar days of the life-qualifying event, e.g., birth of child, marriage, etc. **(T-3)**
- 4.3.5.2.1. An employee enrolled in single coverage may add a newly eligible dependent within 31 calendar days of the dependent's eligibility date. The effective date of family coverage is either the date of the election or the date of the event. The premium increase is effective the first day of the pay period during which the change in coverage occurred.
 - 4.3.5.2.2. Employees may change from family to single coverage (or medical and dental to medical-only) at any time during the plan year, unless they are paying contributions with pre-tax earnings under the Flexible Benefits Plan as described earlier in this section.
 - 4.3.5.3. Processing Name or Address Changes. Use AF Form 2545 to notify the Air Force Services Center Shared Service Center of employee personal data changes. The Human Resources Office will verify the name change using applicable legal documentation and file the information in the employee's Official Personnel Folder. **(T-3)** Follow the Air Force Services Center Benefits and Insurance Branch instructions for notifying the Administrator/Carrier Eligibility Unit of the employee change.

4.3.6. Processing Transfer Actions. The Human Resources Office determines if a transferring employee meets the eligibility criteria to continue participation in health/dental coverage under the Department of Defense Health Benefits Plan/Stand Alone Dental at the gaining installation.

4.3.6.1. Processing Name or Address Changes. If an enrolled employee transfers without a break in service, coverage continues without interruption and the employee is not subject to the 31 calendar day eligibility period for enrollment purposes. The transfer AF Form 2545 should reflect continuing health/dental coverage if the employee had coverage at the member's previous duty station.

4.3.6.1.1. Preferred Provider Organization Network and Traditional-Indemnity Plans. Enter the gaining installation's control-suffix-account number (group policy number), the effective date of the transfer, and the employee's Department of Defense Health Benefits Plan/Stand Alone Dental plan number and home address on the change form and forward it to the Administrator/Carrier Eligibility Unit. Notify the Air Force Services Center Shared Service Center of the insurance enrollment action using AF Form 2545 to start (resume) payroll deductions. File copies of the change form and personnel action in the employee's Official Personnel Folder.

4.3.6.1.2. If unable to locate the employee's change form in the Official Personnel Folder, use an enrollment form to report the transfer to the Administrator/Carrier. The Human Resources Office may need to enroll the employee in a different medical plan option (plan number) due to the geographic move. The employee should be given relevant enrollment materials and the matching Summary Plan Description.

4.3.6.1.3. Transfer between Nonappropriated Fund Instrumentalities. If the termination of employment from the losing installation and subsequent employment with the gaining installation occur in two different but successive pay periods, a full premium payment is made for each pay period at the respective installation.

4.3.6.1.4. If the termination of employment from the losing installation and subsequent employment with the gaining installation occur in the same pay period, a full premium payment for the pay period is made by the gaining installation. If both installations deduct premiums, the losing installation should refund the erroneous premium deductions to the employee and gaining installation.

4.3.6.2. If an enrolled employee transfers with a break in service of one or more workdays, determine if the employee is eligible for the Department of Defense Health Benefits Plan/Stand Alone Dental at the gaining installation. If the employee is not eligible to continue participation in the Department of Defense Health Benefits Plan/Stand Alone Dental, complete the change form to cancel coverage and send it to the Administrator/Carrier Eligibility Unit. File a copy of the change form in the employee's Official Personnel Folder.

4.3.6.3. The Human Resources Office notifies the Air Force Services Center Shared Service Center of the insurance cancellation action using AF Form 2545. This action will stop payroll deductions.

4.3.7. Performing Routine Insurance Audits/Reconciling Reports.

4.3.7.1. The Human Resources Office will routinely audit monthly reports from the Administrator/Carrier to ensure enrollment, change, and cancellation transactions are correctly documented in its eligibility/claims systems. The monthly report from the Administrator/Carrier should match the information in Defense Civilian Personnel Data System. **(T-3)**

4.3.7.1.1. The Human Resources Office will reconcile the biweekly group insurance enrollment/payroll deduction report generated by the Air Force Services Center Shared Service Center with health/dental insurance-related actions submitted on AF Forms 2545 and take corrective action in Defense Civilian Personnel Data System or through the Air Force Services Center Shared Service Center or the Administrator/Carrier, as required. **(T-3)**

4.3.7.1.2. The Human Resources Office will verify each pay period that employees' payroll deductions correspond with their benefit elections using a detailed group insurance enrollment/deduction report. The payroll report should match the enrollment data in Defense Civilian Personnel Data System and the Administrator/Carrier report.

4.3.7.1.3. The Human Resources Office corrects errors in Defense Civilian Personnel Data System and notifies or coordinates with the Air Force Services Center Shared Service Center or the Administrator/Carrier for resolution accordingly.

4.3.8. Employee Contribution Shortages. The Human Resources Office will coordinate with the Air Force Services Center Shared Service Center using whatever means available to immediately inform an employee when pay is insufficient to cover the member's health/dental contributions. **(T-3)**. In addition, the Human Resources Office will:

4.3.8.1. Instruct the employee to pay the shortage by the next pay period following the pay period in which the shortage occurred. **(T-3)**

4.3.8.2. Notify the Air Force Services Center Shared Service Center when the employee failed to timely pay the shortage as instructed. **(T-3)** The Human Resources Office also notifies the employee and Administrator/Carrier that coverage is canceled.

4.3.8.2.1. Process an AF Form 2545 to notify the Air Force Services Center Shared Service Center of the employee's cancellation of group health/dental coverage.

4.3.8.2.2. The Human Resources Office also completes the change form to cancel the employee's coverage through the Administrator/Carrier Eligibility Unit. The effective date of cancellation is the first day of the pay period immediately following the pay period in which the shortage occurred. The Human Resources Office files copies of both forms in the employee's Official Personnel Folder.

4.3.8.3. Losing Coverage. Any employee losing group coverage due to the nonpayment of contributions is not eligible for continuing coverage and may not re-enroll in the Department of Defense Health Benefits Plan or Stand Alone Dental Plan until the Open Enrollment Period unless they qualify for a Special Enrollment Period due to a life-changing event.

4.3.8.4. Otherwise, as long as employees continue to pay their share of the contribution, the Nonappropriated Fund Instrumentality continues to pay the employer share.

Exception: The Stand Alone Dental Plan is 100 percent employee-paid. Coverage remains in effect as long as the respective shares are paid.

4.4. Enrollment Opportunities.

4.4.1. Initial Enrollment of Active Employees. Eligible employees may enroll themselves and eligible dependents in the Department of Defense Health Benefits Plan or Stand Alone Dental within 31 calendar days of the employee's initial eligibility date. Employees not enrolling during this initial eligibility period must wait to enroll during a subsequent Open Enrollment Period or during a Special Enrollment Period. **(T-3)**

4.4.2. Open Enrollment Period for Employees. The Air Force Services Center Benefits and Insurance Branch will announce an Open Enrollment Period for eligible employees. Employee elections are effective 1 January of the following year. Retirees and surviving dependents are not allowed to enroll during Open Enrollment Periods, with the exception of those who suspended Department of Defense Health Benefit Plan coverage to enroll in TRICARE-for-Life. **(T-2)**

4.4.2.1. During an Open Enrollment Period:

4.4.2.1.1. Eligible employees and their eligible dependents not already participating in the Department of Defense Health Benefits Plan may enroll in either the Department of Defense Health Benefits Plan or the Stand Alone Dental at this time.

4.4.2.1.2. Employees who are already enrolled in medical coverage under the Department of Defense Health Benefits Plan may elect to add Department of Defense Health Benefits Plan dental coverage; or they may drop their Department of Defense Health Benefits Plan medical (and Department of Defense Health Benefits Plan dental, if applicable) coverage altogether to enroll in Stand Alone Dental coverage only.

4.4.2.1.3. Employees enrolled in single coverage may change to family coverage, and vice versa.

4.4.2.1.4. Eligible employees and retirees living in areas covered by the Traditional-Indemnity Plan may opt into the Preferred Provider Organization Network Plan that covers a nearby area or reverse an earlier such decision and opt back into the Traditional-Indemnity Plan.

4.4.3. Enrollment of Medicare-Eligible Retirees.

4.4.3.1. Retirees living in a Preferred Provider Organization network area who are eligible for Medicare due to age or disability and have a covered dependent(s) not eligible for Medicare, may change their current medical coverage during the Open Enrollment Period under either the Preferred Provider Organization Network Plan or Traditional-Indemnity Plan. The election is effective 1 January of the following year.

4.4.3.2. Retirees may also make this election if they move from an area not covered by the Preferred Provider Organization Network Plan to one that is. The election is effective 31 calendar days after the move.

4.4.4. Enrollment of Dependents.

4.4.4.1. Optional Dependent Enrollment. Employees may elect family coverage and cover eligible dependents under the Department of Defense Health Benefits Plan, or Stand Alone Dental Plan, within 31 calendar days of the employee's initial eligibility date.

4.4.4.2. Employees and retirees already enrolled in the Department of Defense Health Benefits Plan may move from single to family coverage, or add a new dependent to their existing family coverage, within 31 calendar days of a change in family status, e.g., marriage, birth or adoption. This also applies to the Stand Alone Dental Plan with the following **Exception**: retirees are not eligible for Stand Alone Dental.

4.4.4.2.1. An employee's failure to change to family coverage or add a dependent within the 31 calendar day eligibility period will require the employee to wait to increase coverage until the next Open Enrollment Period or a Special Enrollment Period.

4.4.4.2.2. Retirees or surviving dependents are not eligible for Open Enrollment Periods, with the exception of those who suspended Department of Defense Health Benefits Plan coverage to enroll in TRICARE-for-Life. Retirees who fail to enroll a newly eligible dependent within 31 calendar days following a change in family status are eligible to add the dependent only after a life-changing event covered by Special Enrollment Period rules; e.g., a change in family status, or the dependent's loss of other health insurance coverage.

4.4.4.2.3. If the surviving spouse remarries, neither the new spouse nor any new dependents acquired by the remarriage are eligible for the Department of Defense Health Benefit Plan.

4.4.5. Required Dependent Enrollment Based on a Qualified Medical Child Support Order.

4.4.5.1. Department of Defense Health Benefits Plan will honor a court-issued Qualified Medical Child Support Order requiring an eligible employee or enrolled retiree to provide health coverage for dependents if they meet the Department of Defense Health Benefits Plan definition of an eligible dependent. Coverage level under the plan is mandated by the terms of the court order. If an enrolled employee or retiree fails or refuses to enroll an eligible child as required by the Qualified Medical Child Support Order, the Human Resources Office will automatically enroll them in family coverage. **(T-3)** Air Force Services Center Benefits and Insurance Branch will handle Qualified Medical Child Support Orders served on enrolled retirees. This health provision does not apply to retirees not already enrolled in the Department of Defense Health Benefits Plan.

4.4.5.2. Stand Alone Dental Plan. The Human Resource Office will also honor a court-issued Qualified Medical Child Support order requiring an eligible employee to provide dental coverage for eligible dependents through the Stand Alone Dental Plan. **(T-3)** Follow the same procedures as outlined in [paragraph 4.5.1](#). This dental provision does not apply to retirees since they are not eligible for Stand Alone Dental coverage. **Exception**: If the court order states "health" or "medical" coverage and the employee is enrolled in Stand Alone Dental, then the employee must cancel the Stand Alone Dental coverage and enroll in the Department of Defense Health Benefits Plan. In this case, the court order overrules enrollment procedures outlined in this manual.

4.4.5.3. If the employee named in the Qualified Medical Child Support Order is eligible, but is not enrolled in the Department of Defense Health Benefits Plan, upon coordination with the Air Force Services Center Legal Office, Air Force Services Center Benefits and Insurance Branch, and the Human Resources Office, the employee will enroll in the required coverage as ordered by the court. **(T-3)** Coverage is effective on the date of the court order unless determined otherwise by the Chief, Air Force Services Center Benefits and Insurance Branch.

4.4.6. Special Enrollment Rules.

4.4.6.1. Health Insurance Portability and Accountability Act Special Enrollment Periods. As required by Public Law 104-191, *Health Insurance Portability and Accountability Act of 1996*, employees and dependents which decline enrollment because of other health insurance coverage may, if eligibility requirements are met, enroll in the Department of Defense Health Benefits Plan within 31 calendar days of the end of the other health plan coverage. Participating employees and retirees may also enroll eligible spouses and dependents acquired through marriage, birth, adoption, or placement for adoption within 31 calendar days of the qualifying event. Employees may enroll themselves in family coverage in order to cover new dependents or provide coverage to dependents that have lost other health insurance. Retirees must already be enrolled in the Department of Defense Health Benefits Plan (post-retirement medical coverage) in order to initiate or change dependent coverage.

4.4.6.2. Stand Alone Dental Plan. Enrolled employees may add new dependents to the plan within 31 calendar days after a life-changing event. Eligible employees who waived or canceled coverage, or who did not enroll new dependents when first eligible, must wait until the next Open Enrollment Period to join. **(T-3)**

4.4.6.3. The effective date of coverage depends on the circumstance under which the employee is newly electing coverage, or the employee/retiree is increasing existing coverage. To determine the effective date, refer to the Summary Plan Description.

4.4.6.3.1. Employees Affected by a Reduction in Hours Resulting from Troop Deployment. When troop deployment results in a personnel action that reduces an employee's employment category to flexible consequently the employee drops Department of Defense Health Benefits Plan enrollment, the employee is permitted to re-enroll outside of an Open Enrollment Period if the following conditions are met:

4.4.6.3.2. The employee meets all normal eligibility requirements.

4.4.6.3.3. Human Resources Office processes an AF Form 2545 change of employment category to regular full-time or regular part-time status.

4.4.6.3.4. The employee re-enrolls in the Department of Defense Health Benefits Plan within 31 calendar days from the effective date of the personnel action increasing the employee's hours; otherwise, the employee must wait until the next Open Enrollment Period. **(T-3)** If the employee enrolls within the 31 calendar day period as explained above, coverage is effective on the date of application, but not earlier than the date of change of employment category back to regular status.

4.5. Program Advertising.

4.5.1. The Administrator/Carrier: Updates the group insurance Summary Plan Descriptions and prepares and distributes Open Enrollment Period materials.

4.5.2. Human Resources Office will distribute and explain the Summary Plan Description contents and benefit materials to employees. **(T-3)**

4.5.3. Air Force Services Center Benefits and Insurance Branch: Fulfills these responsibilities for retirees.

4.6. Premiums.

4.6.1. There are four enrollment classes; single, single plus spouse, single plus child(ren) and single plus spouse and child(ren). Employee and retiree claims are pooled together within these classes to develop premiums. Premiums cover the cost of claims and Administrator/Carrier administrative fees. The Department of Defense Health Benefits Plan is contributory, meaning employees and retirees both pay a portion of the total premium cost.

4.6.2. Employer and Employee Premium Sharing Arrangements for Preferred Provider Organization Network, Traditional-Indemnity, and Department of Defense Health Benefits Plan Dental Plans. The employer's share of the Preferred Provider Organization Network, Traditional-Indemnity, and Department of Defense Health Benefits Plan Dental premiums is 70 percent. Employees and retirees pay 30 percent.

4.6.3. Stand Alone Dental Plan. Employees pay 100 percent of the premium. There is no employer contribution to this plan. Retirees are not eligible for the Stand Alone Dental Plan.

4.7. Leave Without Pay (LWOP) Coverage.

4.7.1. During approved LWOP: An employee may elect to continue coverage under the Department of Defense Health Benefits Plan, provided they continue to pay the required employee share of the premium. Consequently, the employer will continue to pay the employer's share. **(T-3)** **(Exception:** The Stand Alone Dental Plan is 100 percent employee-paid with no employer contribution.) This LWOP provision for insurance continuation also applies to employees placed on Workers' Compensation for a work-related accident or injury.

4.7.1.1. The coverage cannot be continued beyond 12 months from the date the LWOP began, except in the case of authorized LWOP for military service or in other circumstances considered appropriate by Air Force Services Center Benefits and Insurance Branch. The Human Resources Office should counsel the supervisor and employee prior to the LWOP period about continuing participation in the plan and the termination of coverage due to non-payment of contributions, as well as reinstatement of coverage opportunities.

4.7.1.2. When an employee in LWOP status fails to pay required contributions, coverage is canceled effective on the first day of the pay period following the pay period in which the employee failed to make a contribution.

4.7.1.2.1. The Human Resources Office cancels the employee's coverage using the change form and updates the Administrator/Carrier Eligibility Unit. The Human Resources Office also notifies the Air Force Services Center Shared Service Center of the coverage cancellation using AF Form 2545.

- 4.7.1.2.2. File copies of the change form and personnel action in the employee's Official Personnel Folder.
- 4.7.1.3. Losing Coverage. Any employee losing group coverage due to the non-payment of contributions is not eligible for continuing coverage and may not re-enroll in the plan until the next Open Enrollment Period or a Special Enrollment Period, if applicable.
- 4.7.1.4. Disability Clause. Under the Department of Defense Health Benefits Plan, the Program does not have a disability clause, which would allow employees to receive payments while out on disability. In other words, the Program does not offer an income replacement provision for disability. Instead, in place of short or long-term disability insurance, employees may use their annual or sick leave to be paid during the period of their disability; or if applicable, they may request approval through their supervisors and Human Resources Office to be placed on LWOP. Employees may also solicit request leave donations from eligible nonappropriated fund employees via the Voluntary Leave Transfer Program to offset time away from duty.

4.7.2. LWOP: Due to Transfer with Head of Household. Regular full-time or regular part-time employees on LWOP due to transfer with head of household are entitled to remain in the Department of Defense Health Benefit Plan, including Stand Alone Dental, for up to 150 calendar days not-to-exceed 12 months from the date the LWOP began to avoid a break in service. The Human Resources Office should counsel employees prior to departure about continuing participation in the plan while on LWOP, continuing coverage programs upon expiration of the LWOP, termination of coverage due to nonpayment of contributions, as well as reinstatement of coverage opportunities.

4.7.2.1. If the employee does not elect to continue participation in the plan, the Human Resources Office cancels coverage using the change form and sends it to the Administrator/Carrier Eligibility Unit. The Human Resources Office also notifies the Air Force Services Center Shared Service Center of the cancellation of coverage using AF Form 2545. **(T-3)**

4.7.2.1.1. The effective date of cancellation is the date the employee signs the change form.

4.7.2.1.2. File copies of the change form and personnel action in the employee's Official Personnel Folder.

4.7.2.2. If the employee elects to continue participation in the plan, the Human Resources Office will suspense a copy of the change form for 150 calendar days not-to-exceed 12 months from the date the LWOP began. **(T-3)**

4.7.2.2.1. The Human Resources Office cancels coverage and notifies the Air Force Services Center Shared Service Center and the Administrator/Carrier to cancel coverage when the employee reaches the end of the LWOP period, unless a gaining installation contacts the losing installation to request the employee's Official Personnel Folder for purposes of continuing the member's coverage without a break. Contact the Air Force Services Center Benefits and Insurance Branch for special guidance for continuing the employee's coverage at the gaining installation without interruption. Otherwise, if canceling the employee's coverage because the LWOP period has

expired, the effective date of cancellation is the date the employee lost LWOP eligibility.

4.7.2.2.2. If the employee fails to pay required contributions during the LWOP period, the Human Resources Office cancels coverage effective on the first day of the pay period after the pay period that they fail to make a payment. Follow the normal instructions for notifying the Air Force Services Center Shared Service Center and the Administrator/Carrier of the employee's cancellation of coverage.

4.7.3. Rehiring a LWOP Employee. If an employee is rehired in an eligible employment category before the expiration of the LWOP, the gaining Human Resources Office will verify with the losing Human Resources Office that the employee made all required contribution payments and that coverage was not terminated. **(T-3)**

4.7.3.1. If the employee's account is current, the gaining Human Resources Office requests the employee's change form from the losing Human Resources Office. The gaining Human Resources Office updates the change form with the gaining installation's control-suffix-account number (group policy number), the effective date of the transaction, and the employee's new home address, and Department of Defense Health Benefits Plan/Stand Alone Dental plan number; and sends a copy to the Administrator/Carrier Eligibility Unit. The gaining Human Resources Office notifies the Air Force Services Center Shared Service Center of the employee's continued enrollment using AF Form 2545 to start deductions.

4.7.3.2. If the employee's account is not current and coverage has not yet been terminated, and if the employee is still eligible to remain in the plan, the employee must first make required retroactive contributions to the losing installation. **(T-3)** The gaining Human Resources Office verifies with the losing Human Resources Office that the employee made all the required payments and follows the processing instructions in this manual for notifying the Air Force Services Center Shared Service Center and the Administrator/Carrier of the employee's continued enrollment at the gaining installation.

4.7.4. Coverage During Military Service. 20 Code of Federal Regulations (CFR) Part 1002.210, *The Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994* covers nonappropriated fund employees who are absent from their jobs to perform duty with the Uniformed Services. Employees who are on LWOP while performing military duty may continue participation in the Department of Defense Health Benefits Plan medical/dental plans for up to 24 months by paying the employee share of the applicable Department of Defense Health Benefits Plan premium. In accordance with USERRA, employees who elect not to continue Department of Defense Health Benefits Plan coverage while on military duty are entitled to immediate reinstatement in the same Department of Defense Health Benefits Plan coverage when they return to nonappropriated fund employment without waiting for an Open Enrollment Period (in this case, coverage is reinstated effective on the date the employee returns to nonappropriated fund duty).

4.7.4.1. Should an employee placed on military furlough be required to pay for coverage continuation, the Human Resources Office will monitor the contributions for the duration of the military furlough period, and coordinate with the Air Force Services Center Shared Service Center, as necessary, to report any payment default or cancellation of coverage. **(T-3)**

4.7.4.2. If the employee qualifies for the employer-paid premium benefit under the Department of Defense Health Benefits Plan, the Human Resources Office will notify the Air Force Services Center Shared Service Center using pre-established Air Force Services Center procedures. At the minimum, the Air Force Services Center Shared Service Center should receive supporting documentation from the Human Resources Office to start/stop the employer-paid premium benefit. Contact Air Force Services Center Benefits and Insurance Branch for special guidance if the employee's military furlough period extends beyond 24 months. **(T-3)**

4.7.4.3. For reservists called to active duty on or after 14 September 2001 in support of a Contingency Operation, as defined in 10 USC § 101(a)(13), the following special rules apply:

4.7.4.3.1. Military Reservists Serving in Contingency Operations. Nonappropriated fund employers shall pay the employee's share in addition to the employer's share of the Department of Defense Health Benefits Plan premium for up to 24 months for enrolled employees called up to active duty (voluntarily or involuntarily) in support of a Contingency Operation. **(T-3)** To be eligible for this employer-pay-all premium provision, reservists must be placed on LWOP or separated from nonappropriated fund employment to perform active duty for a period of more than 30 consecutive calendar days. **(T-3)** These provisions apply to employees enrolled in the Department of Defense Health Benefits Plan who elect to continue the enrollment, and who are called to active duty on or after 14 September 2001.

4.7.4.3.2. Refer to the Air Force Services Center pre-established instructions for application and processing procedures related to the employer-pay-all premium provision for military reservists serving in contingency operations. Go to the Services Installation Support Portal or contact Air Force Services Center Benefits and Insurance Branch at NAF Benefits and Insurance (dps.mil) for an information copy.

4.7.4.3.3. Refer to the Air Force Services Center pre-established instructions for application and processing procedures related to the employer-pay-all premium provision for military reservists serving in contingency operations. Go to the Services Installation Support Portal or contact Air Force Services Center Benefits and Insurance Branch NAF Benefits and Insurance (dps.mil) for an information copy. (For military-related situations, eligible employees are entitled up to 26 administrative workweeks of unpaid leave during any 12-month period for specified family and medical needs.)

4.8. Family and Medical Leave.

4.8.1. Nonappropriated fund employees: Are covered by Public Law 103-3, *Family Medical Leave Act of 1993*. Under the Family and Medical Leave Act, eligible employees are entitled to a total of 12 administrative workweeks of unpaid leave during any 12-month period for specified family and medical needs.

4.8.2. During approved periods of the Family and Medical Leave Act leave: Employees enrolled in the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan may continue their health and dental coverage.

4.8.2.1. Employee and employer contributions are shared according to guidelines established in this manual.

4.8.2.2. Employees not continuing Department of Defense Health Benefits Plan or Stand Alone Dental coverage while on Family and Medical Leave Act leave are entitled to reinstatement as though they had continued in active employment rather than going on Family and Medical Leave Act leave, provided they request such coverage within 31 calendar days of the date the Family and Medical Leave Act leave terminates. If they miss the 31 calendar day deadline to reenroll, they must wait until the next Open Enrollment Period. **(T-3)**

4.9. Portability Move From Nonappropriated Fund to Appropriated Fund.

4.9.1. An enrolled nonappropriated fund employee who moves to an appropriated fund position without a break in service of more than 3 calendar days: Shall continue existing health and dental coverage in the Department of Defense Health Benefits Plan without charge to the employee for 31 calendar days, or until the employee becomes covered under the Federal Employee Health Benefits Program; whichever comes first. **(T-3)**

4.9.2. This provision does not apply to the Stand Alone Dental Plan. Stand Alone Dental coverage ends on the day the employee loses group eligibility or terminates nonappropriated fund employment.

4.10. Coordination of Benefits for DoD Health Benefits Program.

4.10.1. Benefits payable under the Department of Defense Health Benefits Plan take into account any coverage an employee, retiree, or dependent has under any other group plan. The Summary Plan Descriptions provide an explanation of how benefits are coordinated.

4.10.2. Active Employees. Benefits will be coordinated between the servicing personnel offices to ensure reimbursement to active employees under the Department of Defense Health Benefits Plan take into account payments made by other group plans. **(T-3)** Under this approach, active employees will not receive a total benefit greater than that provided under the Department of Defense Health Benefits Plan. **(T-3)**

4.10.3. Retirees. When retirees or their covered dependents are eligible for Medicare (whether or not enrolled in Medicare), Department of Defense Health Benefits Plan benefits are secondary to Medicare. When retirees and their dependents become eligible for Medicare (whether or not enrolled in Medicare), health benefits from the Department of Defense Health Benefits Plan will be offset by Medicare payments through the Government Exclusion approach to Coordination of Benefits, as explained in the Summary Plan Descriptions. Medicare does not apply overseas; therefore, the Traditional-Indemnity Plan will be the primary payer of benefits.

4.11. Coverage for Eligible Active Employees Age 65 and Older.

4.11.1. At least 31 calendar days before an enrolled employee in the Department of Defense Health Benefits Plan reaches age 65: Defense Civilian Personnel Data System will generate a notice to the Human Resources Office. The Human Resources Office will contact the affected employee who must elect to either continue or cancel coverage under the Department of Defense Health Benefits Plan. **(T-3)** The Human Resources Office will:

4.11.1.1. Instruct the employee to make the election, in writing, on the appropriate personnel form. **(T-3)**

4.11.1.2. Advise the employee to promptly contact the Social Security Administration concerning eligibility and enrollment rules for Medicare, regardless of the employee's election to continue or discontinue enrollment in the Department of Defense Health Benefits Plan. **(T-3)**

4.11.2. If the employee elects to continue participation in the Department of Defense Health Benefits Plan: The Department of Defense Health Benefits Plan will be the primary payer of all claims, and Medicare will be the secondary payer as required by Federal law. The Summary Plan Descriptions have more details and an explanation of any exceptions to this rule.

4.11.3. If the employee elects to continue participation in the Department of Defense Health Benefits Plan: The employee's health coverage is limited to Medicare only. Inform the employee that the member's election to cancel coverage also cancels coverage at the same time for any dependents under the Department of Defense Health Benefits Plan. Follow the instructions in this manual for notifying the Air Force Services Center Shared Service Center and Carrier about the employee's cancellation of coverage under the Department of Defense Health Benefits Plan.

4.12. Continuation of Coverage for Surviving Dependents.

4.12.1. Eligible surviving dependents: May continue Department of Defense Health Benefits Plan coverage at a cost and length of time commensurate with the sponsoring employee's or retiree's Post-Retirement Medical/Dental Coverage eligibility status or years of Department of Defense Health Benefits Plan participation. Air Force Services Center Benefits and Insurance Branch is the office responsible for managing coverage for surviving dependents with regard to continuing Department of Defense Health Benefits Plan benefits. The Human Resources Office should immediately contact Air Force Services Center Benefits and Insurance Branch for assistance when a surviving-dependent case arises.

4.12.2. Eligibility requirements for continuation of coverage for surviving dependents are as follows:

4.12.2.1. Dependents. For the purpose of continuation of coverage for survivors, eligible dependents include children conceived before, and born after, the death of an employee or retiree. If the surviving spouse remarries, neither the new spouse nor any dependents acquired upon remarriage are eligible for the Department of Defense Health Benefits Plan.

4.12.2.2. Dependent Participation Requirement. Surviving dependents must have been enrolled in the Department of Defense Health Benefits Plan health and dental plans on the day of the employee's or retiree's death.

4.12.2.3. Employee Participation Requirement. The employee must have had a minimum of 90 calendar days of participation in the Department of Defense Health Benefits Plan. **(T-3)** Enrollment in a nonappropriated fund employer health plan existing before 1 January 2000 counts towards the participation requirement. Enrollment in the Federal Employee Health Benefits Program also counts toward the participation requirement if the employee moved from an appropriated fund position to a nonappropriated fund position, after 1 January 1987, without a break in service of more than 3 calendar days.

4.12.3. Cost and Length of Coverage.

4.12.3.1. The nonappropriated fund employer will pay 100 percent of the health and dental premium for eligible survivors for the first 4 months of coverage following the employee’s or retiree’s death. Following the 4months of employer-paid coverage, survivors are eligible to continue coverage as outlined in [Table 4.1](#).

4.12.3.2. Coverage for a surviving spouse continues regardless of remarriage. Coverage for dependent children continues for the length of time (duration) provided in the [Table 4.1](#), or until the child no longer meets the plan eligibility criteria; whichever comes first.

Table 4.1. Surviving Dependent Coverage.

Surviving Dependent of:	Type and Length of Coverage:	Cost to Survivor:
1. An employee who: a. Had less than 15 years of cumulative participation in the Department of Defense Health Benefits Plan <i>or</i> b. Was not participating in the applicable defined benefit retirement plan at time of death.	36-months total duration of coverage = medical only benefits. No dental.	No cost for first 4 months after the employee’s death; <i>then</i> Survivor pays the applicable Temporary Continuation of Coverage premium rate of 102 percent <i>(employee/employer shares plus an administrative fee of 2 percent).</i>
2. An employee who did not meet the Post-Retirement Medical/Dental Coverage eligibility but: a. Had 15 or more years of cumulative participation in the Department of Defense Health Benefits Plan <i>and</i> b. Was participating in the applicable defined benefit	Same health coverage as the employee. Same dental coverage, if the employee also had 15 or more years cumulative participation in a Department of Defense Health Benefits dental plan.	No cost for first 4 months after the employee's death; <i>then</i> Survivor pays the same premium rate as an active employee (30 percent).

<p>3. A retiree receiving Post-Retirement Medical/Dental Coverage, or an employee who met the Post-Retirement Medical/Dental Coverage annuity/participation eligibility.</p> <p>Note: A survivor retirement annuity is NOT required in order for the surviving dependent to continue DoD Health Benefit Plan coverage.</p>	<p>Same health and dental coverage applicable to the retiree or employee.</p>	<p>No cost for first 4 months after the retiree's or employee's death; <i>then</i> Survivor pays the applicable Post-Retirement Medical/Dental Coverage premium rate (30 percent).</p>
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4.13. Temporary Continuation of Coverage.

4.13.1. Plan participants who become ineligible to participate in the Department of Defense Health Benefits Plan for any reason (other than termination for gross misconduct or cause) may be eligible to continue coverage in the Temporary Continuation of Coverage Program of the Department of Defense Health Benefits Plan. Special continuation of coverage provisions apply to surviving dependents of former employees/retirees enrolled in the Department of Defense Health Benefits Plan. Refer to the Department of Defense Health Benefit Plan Policy and the medical Summary Plan Description for more details.

4.13.2. Department of Defense Health Benefits Plan Health Plans. Public Law 99-272, *The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)* that requires employers to provide temporary continuation of health benefits does not apply to the Preferred Provider Organization Network and Traditional-Indemnity Plans.

4.13.2.1. Plan participants who become ineligible to participate in these plans are eligible for “COBRA-like” Temporary Continuation of Coverage as stated below. Plan participants cannot continue dental coverage under the Temporary Continuation of Coverage Program. Go to the Air Force Services Center website or contact Air Force Services Center Benefits and Insurance Branch for the Temporary Continuation of Coverage application form and current rates, as well as basic instructions for processing a Temporary Continuation of Coverage request under the Department of Defense Health Benefits Plan.

4.13.2.2. Temporary Continuation of Coverage does not apply to the Stand Alone Dental Plan.

4.13.2.3. Basic Temporary Continuation of Coverage Eligibility Requirements. Refer to the medical Summary Plan Description for more information about the eligibility requirements, definitions, and Temporary Continuation of Coverage application timelines. The following participants are eligible for Temporary Continuation of Coverage:

4.13.2.3.1. Retirees. Employees who retire without obtaining eligibility for Post-Retirement Medical/Dental Coverage Benefits.

- 4.13.2.3.2. Dependents. Dependents who lose Department of Defense Health Benefits Plan coverage because the sponsoring employee or retiree lost coverage or who otherwise become ineligible to participate.
- 4.13.3. Temporary Continuation of Coverage Length and Cost for Department of Defense Health Benefits Plan Participants. Refer to [Table 4.2](#) for descriptions of length and cost of Temporary Continuation of Coverage for different circumstances.
- 4.13.3.1. Disabled Employees. Totally disabled employees receive up to 36 months of single or family Temporary Continuation of Coverage, as applicable. Temporary Continuation of Coverage ends before 36 months if the participant ceases to be totally disabled or becomes eligible for Medicare or other health coverage. Disabled employees with 5 or more years of cumulative Department of Defense Health Benefits Plan participation will receive up to 12 months of continuing coverage at no charge if they meet the criteria. Participation includes enrollment in the Department of Defense Health Benefits Plan, in a Nonappropriated Fund Component health plan, and enrollment in the Federal Employee Health Benefits Program. This criteria applies if the employee moved from an appropriated fund position to a nonappropriated fund position, after 1 January 1987, without a break in service of more than 3 calendar days. Refer to the medical Summary Plan Description for definitions of total disability and procedures for providing proof of disability. The Human Resources Office will coordinate with Air Force Services Center Benefits and Insurance Branch to enroll qualified employees, including dependents, in Temporary Continuation of Coverage disability coverage under the Department of Defense Health Benefits Plan. **(T-3)**
- 4.13.3.2. Disabled Retirees Eligible for Post-Retirement Medical/Dental Coverage. If a disabled retiree qualifies for continuing health benefits under Post-Retirement Medical/Dental coverage, the individual will not be enrolled in disability Temporary Continuation of Coverage due to the limited duration of coverage under the Temporary Continuation of Coverage Program. Instead, disabled retirees eligible for Post-Retirement Medical/Dental coverage will receive continuing health benefits under the same conditions and for the same duration as non-disabled retirees. Totally disabled employees who retire with Post-Retirement Medical/Dental coverage may receive up to 12 months free coverage, as determined by the nonappropriated fund employer.
- 4.13.3.3. Temporary Continuation of Coverage Termination. Generally, Temporary Continuation of Coverage for Department of Defense Health Benefits Plan participants may continue for up to 18 months from the date group eligibility ends. The Temporary Continuation of Coverage participant pays the full cost of the health premium, plus a two percent administrative fee. Temporary Continuation of Coverage benefits will terminate earlier than described in [Table 4.2](#) if the participant becomes eligible for Medicare or other health coverage, fails to pay required premiums by the due date, or voluntarily chooses to cancel coverage prior to the Temporary Continuation of Coverage expiration period.
- 4.13.3.4. Survivors of Temporary Continuation of Coverage Participants. Should a Temporary Continuation of Coverage participant (sponsor) with family coverage pass away, the surviving dependents are ineligible for continuation beyond the maximum length of coverage indicated in [Table 4.2](#). In this case, under the Temporary Continuation of Coverage Program, the Temporary Continuation of Coverage participant's death does not

trigger an additional period of coverage under the Temporary Continuation of Coverage Program.

4.13.3.5. Special Considerations for Base Realignment and Closure (BRAC) and Workforce Reduction. In situations where an employee is separated from nonappropriated fund employment because of BRAC or workforce reduction, the employer may pay the employer's share of the Department of Defense Health Benefits Plan health premium and any applicable administrative fees for the employee for up to 18 months or the nonappropriated fund component may require the employee to pay the full cost of the coverage, including any applicable administrative fees. However, the employer may not pay any portion of the employee's share. Where the employee's separation is a direct result of an approved BRAC action, the employer may use appropriated fund BRAC accounts or nonappropriated funds to pay the employer's share of the Department of Defense Health Benefits Plan health premium and administrative fee. To be eligible, the employee affected by BRAC or workforce reduction must meet the following conditions:

4.13.3.5.1. Must have been separated by Business Based Action or resign or retire (if not eligible for Post-Retirement Medical/Dental Coverage) after receiving a Business Based Action separation notice. **(T-3)**

4.13.3.5.2. Must be enrolled in the Department of Defense Health Benefits Plan for at least 6 months and be enrolled at the time of separation by Business Based Action. **(T-3)**

Table 4.2. Temporary Continuation of Coverage Health Plan.

Eligible Individual:	Length of Health Plan Coverage:	Cost to Individual:
1. Employee, retiree, or dependent meeting Temporary Continuation of Coverage criteria.	Up to 18 months from the date group coverage ends.	102 percent of the total premium cost (<i>employee and employer shares, plus an administrative fee of 2 percent</i>).
2. Totally disabled employee with less than 5 years of cumulative participation in the Department of Defense Health Benefits Plan health plan.	Up to 36 months from the date group coverage ends.	102 percent of the total premium cost (<i>employee and employer shares, plus an administrative fee of 2 percent</i>).

<p>3. Totally disabled employee with 5 or more years of cumulative participation in the Department of Defense Health Benefits Plan health plan.</p> <p>Note: Temporary Continuation of Coverage does NOT apply to disabled employees who are eligible to retire with Post-Retirement Medical/Dental coverage.</p>	<p>Up to 36 months from the date group coverage ends.</p>	<p>No cost for first 12 months. Nonappropriated Fund employer pays 102 percent of the total premium cost (<i>employee and employer shares, plus an administrative fee of 2 percent</i>); <i>then</i> Temporary Continuation of Coverage participant pays 102 percent of the total premium cost (<i>employee and employer shares, plus an administrative fee of 2 percent</i>) for up to 24</p>
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4.14. Personnel Actions.

4.14.1. Processing Personnel Actions within Payroll System. The Air Force Services Center Shared Service Center processes transactions from Defense Civilian Personnel Data System that begin, cancel, or change the employee and employer payroll deductions for group health and dental coverage. The Air Force Services Center Shared Service Center also processes any other health/dental insurance-related actions based upon information received from Defense Civilian Personnel Data System. The effective date of the personnel form determines when deductions for coverage starts, stops, or changes.

4.14.1.1. For enrollments, payroll deductions start in the same pay period that an employee’s coverage is effective.

4.14.1.2. For cancellations and terminations, including discontinuance of coverage at an employee’s request, employee and employer contribution deductions are not taken for the last pay period that the insurance was in effect.

4.14.1.3. For a change that increases coverage from single to family coverage, or from health-only to health and dental coverage, payroll deductions for the increased coverage begin with the pay period during which the change becomes effective. The effective date of the insurance change depends on the event which prompted the employee’s opportunity to increase coverage, such as a newly eligible dependent, an Open Enrollment Period, or a Special Enrollment Period due to a life-qualifying event.

4.14.1.4. For a change that decreases coverage from family to single coverage, or from health and dental to health-only coverage, employee and employer contributions are not taken for the last pay period such coverage was in effect. The effective date of the insurance change depends on the event that prompted the employee’s opportunity to decrease coverage such as an ineligible dependent, death, divorce, an Open Enrollment Period, or upon the employee’s request.

4.14.2. Performing Routine Insurance Audits/Reconciling Reports. The Human Resources Office will reconcile the biweekly group insurance enrollment/deduction report generated by

the Air Forces Services Activity Shared Service Center with health/dental insurance-related actions submitted on AF Forms 2545 and take corrective action in the Defense Civilian Personnel Data System or through the Air Force Services Center Shared Service Center or the Administrator/Carrier, as required. **(T-3)**

4.14.2.1. If an insurance correction for a refund or deduction applies to two pay periods or less, errors are corrected through the payroll system using current Air Force Records Information Management System payroll procedures.

4.14.2.2. If an insurance correction is for more than two pay periods, the Air Force Services Center Shared Service Center in coordination with the Human Resources Office, will provide the following information to the Air Force Services Center Benefits and Insurance Branch for review and corrective action.

4.14.2.2.1. Explanation of the problem and include the Nonappropriated Fund Instrumentalities Cash Management Investment Program (CMIP) number and the pay periods involved. **(T-3)**

4.14.2.2.2. Copies of the previous AF Form 2545 reflecting the effective date of the “incorrect” erroneous information (group insurance plan code or effective date, etc.) and the new AF Form 2545 reflecting the correct effective date of the “correction.” Also include copies of supporting documents reflecting the employee’s enrollment, change, cancellation, or waiver of insurance, as applicable. **(T-3)**

4.14.2.2.3. Worksheets by pay period indicating, the amounts actually paid by the employee and employer, along with the amounts that should have been paid by both parties. (Take into account any rate changes that may have occurred under the Department of Defense Health Benefits Plan or Stand Alone Dental Plan.) **(T-3)**

4.14.2.2.4. Name, social security number, and home address of the employee involved. **(T-3)**

4.14.2.2.5. The Human Resources Office will notify the employee of the corrective action, including the related refund or retroactive amount due, and the procedures for requesting a waiver of indebtedness for retroactive contribution cases in accordance with Air Force Manual (AFMAN) 34-202, *Procedures For Protecting Nonappropriated Funds Assets*. **(T-3)**

4.14.3. Contribution Shortages. The Human Resources Office will coordinate with the Air Force Services Center Shared Service Center, and review any available arrearage/shortage reports generated by the Air Force Services Center Shared Service Center and also initiate some method of contact or notice when an employee’s pay is insufficient to cover the member’s share of the group health/dental premium. **(T-3)** This is especially important as most premium arrearages/shortages typically occur when an employee goes on LWOP (including LWOP related to workers’ compensation) or furlough.

4.14.3.1. If the employee pays the shortage no later than the pay period following the one in which the shortage occurred, the Air Force Services Center Shared Service Center processes the collection for the next pay period. Coverage continues without interruption.

4.14.3.2. If the employee fails to pay the shortage by the pay period following the one in which the shortage occurred, the Human Resources Office will contact the employee to

determine payment status. **(T-3)** If no resolution occurs, the Human Resources Office will immediately cancel coverage due to nonpayment. **(T-3)** The effective date of cancellation is the first day of the pay period immediately following the default pay period.

4.14.3.2.1. The Human Resources Office will complete the coverage cancellation form (change form) and forward it to the Administrator/Carrier Eligibility Unit. **(T-3)**

4.14.3.2.2. The Human Resources Office will process an AF Form 2545 to notify the Air Force Services Center Shared Service Center of the employee's cancellation of group health/dental coverage and files copies of both forms in the employee's Official Personnel Folder. **(T-3)**

4.14.4. Reviewing Eligibility During Leave-Without-Pay (LWOP).

4.14.4.1. Employees may continue coverage in the Department of Defense Health Benefits Plan during a period of approved LWOP, provided they continue to pay their share of the employee contribution; consequently, the employer (Nonappropriated Fund Instrumentalities) continues to pay the employer's share. Coverage remains in effect as long as the respective shares are paid. **Exception:** The Stand Alone Dental Plan is 100 percent employee-paid with no employer contribution.

4.14.4.2. The Human Resources Office will coordinate with the Air Force Services Center Shared Service Center when an employee on LWOP fails to pay the required contributions or reaches the maximum period for participation as defined below: **(T-3)**

4.14.4.2.1. An employee on LWOP (for reasons other than illness or injury) is entitled to remain in the Department of Defense Health Benefits Plan for 12 months unless Air Force Services Center Benefits and Insurance Branch grants an extension. **(T-3)**

4.14.4.2.2. An employee on LWOP due to transfer with head of household is entitled to remain in the Department of Defense Health Benefits Plan for a maximum of 150 calendar days.

4.14.4.2.3. An employee on LWOP due to military furlough is entitled to remain in the Department of Defense Health Benefits Plan for a maximum of 24 months. The Human Resources Office follows the instructions in paragraphs [4.7.4](#) through [4.7.4.2](#). Should an employee placed on military furlough be required to pay for coverage continuation, the Human Resources Office will monitor the contributions for the duration of the military furlough period, and coordinate with the Air Force Services Center Shared Service Center, as necessary, to report any payment default or cancellation of coverage. **(T-3)** Otherwise, if the employee qualifies for the employer-paid premium benefit under the Department of Defense Health Benefits Plan, the Human Resources Office will notify the Air Forces Services Center Shared Service Center. **(T-3)** At the minimum, the Air Forces Services Center Shared Service Center should receive supporting documentation from the Human Resources Office to start/stop the employer-paid premium benefit. Contact the Air Force Services Center Benefits and Insurance Branch for special guidance if the employee's military furlough period extends beyond 24 months.

Chapter 5

NONAPPROPRIATED FUND GROUP LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT PLAN

5.1. Definition. The Air Force Nonappropriated Fund Group Life and Accidental Death and Dismemberment Plan is a commercially insured plan providing basic life and Accidental Death and Dismemberment coverage for eligible Air Force nonappropriated fund civilian employees. The cost of the plan coverage and administrative expenses of the Air Force Insurance Fund (AFIF) are paid using employee and employer contributions deposited into the AFIF. The plan offers two levels of family-member life insurance for which an employee pays 100 percent of the cost. The plan also provides basic life coverage for eligible former employees and retirees who meet the minimum age/participation criteria, and in some cases, service requirements. The Accidental Death and Dismemberment portion of an employee's basic coverage ends when the person separates from nonappropriated fund employment or otherwise becomes ineligible for the plan. Family-member life coverage, if in effect, may be converted to an individual policy with the Carrier in accordance with this manual. Participation in the Plan is voluntary.

5.2. Purpose. The plan provides a means for employees to maintain a measure of security for themselves and their beneficiaries in the event of death or accidental injury.

5.3. Management and Administration.

5.3.1. The Air Force Services Center Benefits and Insurance Branch provides general oversight, program management, and day-to-day administration of the Group Life and Accidental Death and Dismemberment Plan for covered participants and their dependents and publishes instructional materials as required. The Air Force Services Center Benefits and Insurance Branch also manages the continuing coverage program for eligible former employees/retirees and serves as their Human Resources Office.

5.3.2. The installation Human Resources Office performs routine base-level administration of the plan as instructed by the Air Force Services Center Benefits and Insurance Branch, this manual, and the Carrier's Summary Plan Description.

5.3.3. The Air Force Services Center Shared Service Center Payroll Branch processes the collection of employee and employer contributions associated with plan participation as instructed by Air Force Services Financial Management System payroll procedures.

5.3.4. The Carrier performs tasks concerning administration of the Air Force Nonappropriated Fund Group Life and Accidental Death and Dismemberment Plan. The Carrier provides customer service functions; reviews and pays claims; and provides information and assistance on premium setting and reserve funding. The Carrier also provides expert advice on group life and Accidental Death and Dismemberment benefit management matter; establishes Summary Plan Description content and publishes and distributes Summary Plan Descriptions. The Carrier develops and prints employee communications; provides ongoing administrative and technical support on eligibility and enrollment issues, claims filing and payments, disability cases, and continuing coverage matters; and provides evaluation reports on group life and Accidental Death and Dismemberment coverage. Questions regarding these Carrier responsibilities should be directed to the Carrier.

5.4. Obtaining Information.

5.4.1. Human Resources Office should forward technical questions, requests for additional supplies and information, and comments pertaining to the management and administration of the Group Life and Accidental Death and Dismemberment Plan to the Air Force Services Center Benefits and Insurance Branch.

5.4.2. Direct inquiries related to the filing, status, or payment of claims to the Carrier using the point of contact information (e.g., phone, fax, e-mail, or website) provided by the Air Force Services Center Benefits and Insurance Branch.

5.4.3. Summary Plan Description. The term refers to the Group Life and Accidental Death and Dismemberment benefits information booklet related to eligibility, covered and excluded benefits, continuing coverage programs, and other plan-related information.

5.5. Human Resources Office Responsibilities.

5.5.1. Properly administer the plan by following instructions in this manual, and/or administrative guidance provided by the Air Force Services Center Benefits and Insurance Branch or Carrier and will enroll eligible employees/dependents in the plan, counsel employees in the following areas, and any other relevant subject matter in this manual, as it pertains to the Group Life and Accidental Death and Dismemberment Plan. **(T-3)**

5.5.1.1. Determine Eligibility for Participation. Employees may voluntarily enroll in the plan and choose not to enroll in the Department of Defense Health Benefits Program or any other benefit program. In this case, there is no requirement for employees to enroll in a retirement plan in order to qualify for post-retirement life coverage. Employees do not need to retire on an immediate annuity to qualify for retiree (continuing) life coverage.

5.5.1.2. Counsel eligible employees about the future benefits a pension plan might pay later on and encourage them to join the Air Force Nonappropriated Fund Retirement Plan as a basic means of financial security and protection for themselves and family. Additionally, employees must first enroll in group coverage for themselves before they may enroll any eligible dependents in family-member coverage. **(T-3)** The requirements below, and those listed in the Summary Plan Description establish the eligibility criteria for participation in the Group Life and Accidental Death and Dismemberment Plan.

5.5.2. Employee. To be eligible, an employee must be a United States civilian, employed in a regular full-time or regular part-time category and paid on the United States dollar payroll. **(T-3)** If employed outside the United States, the employee must be a citizen or a permanent resident of the United States, as defined below. **(T-3)** Off-duty United States military persons who are United States citizens or a permanent residents of the United States holding a regular Air Force nonappropriated fund appointment are also included. Flexible employees, who have temporary or sporadic duties 0-40 hours per week and may be scheduled in advance or called in as needed, are not eligible for coverage in this plan. No person may be covered as an employee and dependent, and no person may be covered as a dependent of more than one employee. Life insurance may be continued for eligible former employees and retirees if they meet the required criteria. Refer to the Summary Plan Description for definitions of eligible “employee and former employee/retiree.”

5.5.2.1. Citizen means all persons born or naturalized in the United States and subject to the jurisdiction thereof.

5.5.2.2. Permanent resident refers to a status that an alien may apply for, and if granted permanent resident status, receives a resident alien card.

5.5.3. Dependent. To be eligible, a dependent must be a covered employee's spouse, including a common-law spouse in states that recognize common-law marriage; an unmarried child 14 calendar days old but less than 19 years of age; an unmarried child 25 years of age can be claimed by the employee as a dependent for federal income tax purposes; or a handicapped dependent child. Refer to the Summary Plan Description for definitions of eligible "dependent" and "child" as well as special coverage rules pertaining to married nonappropriated fund employees. Parents of employees are excluded from coverage under the Plan.

5.5.4. Eligibility Following Employee Move From Appropriated Fund Position to a Nonappropriated Fund Position (Portability Move). Life insurance is not portable, regardless of an employee's retirement system election. Appropriated Fund employees who move to Nonappropriated Fund positions (whether involuntary or voluntary) may elect to enroll in the Group Life and Accidental Death and Dismemberment Plan within 30 calendar days of appointment to a nonappropriated position. They may not remain in the Federal Employees Group Life Insurance (FEGLI) Program. Contact the Air Force Services Center Benefits and Insurance Branch for special guidance on processing a portability-related enrollment under the Air Force Nonappropriated Fund Group Life and Accidental Death and Dismemberment Plan.

5.5.5. Portability Move From a Nonappropriated Fund to Appropriated Fund Position. Under the Group Life and Accidental Death and Dismemberment Plan, there is no requirement for an automatic 31 calendar day extension of life insurance coverage when an employee moves from a Nonappropriated Fund position to an Appropriated Fund position. However, if a former plan participant (employee/dependent) passes away during the 31 calendar day period immediately following an employee's portability move to appropriated fund employment, a death benefit may be payable. For more details, see the conversion section in the Summary Plan Description.

5.5.6. Counseling Employees on Plan Provisions. Describe the plan provisions and types of coverage in the Summary Plan Description and answer related questions so employees can make an informed decision about enrolling in the Plan. Provide the employee with a Summary Plan Description upon enrollment. (Go to the Air Force Services Center website for an electronic version of the Air Force Nonappropriated Fund Group Life and Accidental Death and Dismemberment Plan Summary Plan Description or requires a copy through the Air Force Services Center Benefits and Insurance Branch). Employees are responsible for accuracy of deductions and timely reporting of errors or status changes on their Leave and Earnings Statement to the Human Resources Office for prompt resolution. This is especially important after certain life-changing events such as marriage, birth/adoption of a child, divorce, death, etc. Depending on the status change, the employee/Human Resources Office may need to complete additional enrollment, beneficiary, or discontinuance forms and/or make an adjustment to the employee's payroll deductions using AF Form 2545, *NAFI Notification of Personnel Action*, in the Defense Civilian Personnel Data System. Advise employees to routinely (or at least annually) check their beneficiary designation information at the Human

Resources Office so that in the event of death, benefits will be paid according to the employee's wishes.

5.5.6.1. Basic Life and Accidental Death and Dismemberment Coverage. The Carrier pays a death benefit to a beneficiary when it receives written proof that a covered employee, dependent, or a former employee/retiree died while the insurance was in force. The life benefit is payable for all causes of death.

5.5.6.2. Basic Life Coverage. The Carrier pays a death benefit to a beneficiary when it receives written proof that a covered employee, dependent, or a former employee/retiree died while the insurance was in force. The life benefit is payable for all causes of death.

5.5.6.3. Accidental Death and Dismemberment Coverage. The Carrier pays an Accidental Death and Dismemberment benefit if a covered active employee loses life, limb, or sight due to an accident. Accidental Death benefits are paid to a designated beneficiary; dismemberment benefits are paid to the insured employee. Accidental Death and Dismemberment coverage does not pertain to covered dependents of insured employees nor former employees/retirees enrolled in continuing coverage. See the Summary Plan Description for other coverage exclusions.

5.5.6.4. Reporting Life and Accidental Death and Dismemberment Claims to the Carrier. The Human Resources Offices and the Air Force Services Center Benefits and Insurance Branch will submit valid Life/Accidental Death and Dismemberment claims on covered plan participants to the Carrier using its electronic e-claim system reporting procedures. **(T-3)** The Carrier will correspond with the designated beneficiary or the insured employee, as required, to obtain a certified death certificate and other documents needed to pay the claim. Human Resources Offices can check the status of claims online at the Carrier's website.

5.5.6.4.1. Processing AF Form 2545 separation action due to employee death. Process an AF Form 2545 (separation action) in Defense Civilian Personnel Data System to generate an automatic cancellation of the deceased employee's coverage and payroll deductions.

5.5.6.5. Family-Member Life Coverage. An employee must be insured under the plan first before eligible dependents may be enrolled in Family-Member Life coverage. **(T-3)** Eligible employees may choose between two Family-Member Life options, as explained below.

5.5.6.5.1. Low Option. Spouse coverage is \$5,000 and dependent child coverage is \$2,500 for each covered child.

5.5.6.5.2. High Option. Spouse coverage is \$10,000 and dependent child coverage is \$5,000 for each covered child.

5.5.6.5.3. Initially Electing Family-Member Life Coverage. An eligible employee may elect coverage for himself/herself and eligible dependents under the plan within the initial 30 calendar day waiting period following regular appointment or reclassification to an eligible employment category. The employee and Human Resources Office must complete an enrollment form before coverage can take effect. **(T-3)** If the employee completes the enrollment form within the 30 calendar day waiting period, coverage for

the employee and the member's dependents will be effective on the 31st day after appointment or reclassification. The Human Resources Office notifies the Air Force Services Center Shared Service Center of the employee's group life election/payroll deductions on AF Form 2545 in the Defense Civilian Personnel Data System using the applicable plan code provided by the Air Force Services Center Benefits and Insurance Branch. File the enrollment form in the employee's Official Personnel Folder.

5.5.6.5.4. Special rules for Family-Member Life Coverage For Married Nonappropriated Fund Employees. If both parents are nonappropriated fund employees of a child(ren), and they qualify as eligible employees under the group plan, one parent may elect Family-Member Life coverage to cover the child(ren) only. If married nonappropriated fund employees do not have eligible children, one employee may cover the other spouse as a dependent under Family-Member Life coverage only if the other spouse is employed in an ineligible (flexible) employment category. (If the other spouse changes to an eligible (regular) category, the married nonappropriated fund employee who is carrying the spouse under the Family-Member Life option must cancel it as instructed below.) **(T-3)** No person may be covered as an employee and dependent under the same policy, and no person may be covered as a family member of more than one employee.

5.5.6.5.5. If the spouse being carried as a dependent under Family-Member Life later qualifies for coverage on the member's own as a regular employee under the plan, Family-Member Life coverage must be terminated. **(T-3)** In this case, the married nonappropriated fund employee carrying the Family-Member Life coverage must complete/sign a discontinuance form; file the form in the employee's Official Personnel Folder. **(T-3)** The effective date of Family-Member Life cancellation is the date the spouse converts to a regular category. Process an AF Form 2545 within the Defense Civilian Personnel Data System to notify the Air Force Services Center Shared Service Center of the married employee's change in insurance coverage, as instructed in this chapter. Enroll the newly-eligible spouse in the group plan as discussed in this chapter with one **Exception:** the effective date of coverage for the newly-eligible spouse is the date of the category change to regular (in this case the 30 calendar day waiting period is waived).

5.5.6.5.6. Electing or Increasing Family-Member Life Coverage Upon Family Status Change. Certain family status changes (marriage or birth/adoption of a child) allow an enrolled employee in the plan either to elect Family-Member Life coverage or to increase the amount of Family-Member Life coverage (go from low to high option) without first being required to submit evidence of insurability to the Carrier. The employee must act within 30 calendar days of the family status change by completing an enrollment form at the Human Resources Office. **(T-3)**. If the employee completes the enrollment form to elect or increase Family-Member Life coverage within the 30 calendar day dependent special enrollment period, the effective date of the Family-Member Life election will be the date of the status change (qualifying event). **Note:** Regardless if the employee is enrolling in Family-Member Life within 30 calendar days of marriage, or within 30 calendar days of the birth, adoption, or placement for adoption of a child, the dependent coverage will apply to all eligible family members. The Human Resources Office notifies the Air Force Services Center Shared Service Center

of the employee's Family-Member Life election/payroll deductions using AF Form 2545 within the Defense Civilian Personnel Data System. File the enrollment form in the employee's Official Personnel Folder.

5.5.6.5.7. Decreasing Family-Member Life Coverage. An employee may choose to decrease Family-Member Life coverage from the high option to the low option anytime. However, before the decrease in Family-Member Life coverage can take effect, the employee and Human Resources Office must complete a new enrollment form reflecting the coverage change to the low option. **(T-3)** The Human Resources Office notifies the Air Force Services Center Shared Service Center of the employee's decrease in Family-Member Life coverage/payroll deductions using AF Form 2545 within the Defense Civilian Personnel Data System. File the enrollment form in the employee's Official Personnel Folder.

5.5.6.5.8. Discontinuing (Cancelling) Family-Member Life Coverage. An employee may discontinue Family-Member Life coverage anytime. However, it is the employee's responsibility to inform the Human Resources Office when to cancel Family-Member Life coverage; otherwise, if the employee fails to timely notify the Human Resources Office to terminate Family-Member Life coverage, they will erroneously pay for coverage which does not exist. Before the discontinuance (cancellation) of coverage can take effect, the employee and Human Resources Office must complete a discontinuance form and file the form in the employee's Official Personnel Folder. **(T-3)** The Human Resources Office notifies the Air Force Services Shared Service Center of the employee's cancellation of Family-Member Life coverage/payroll deductions using AF Form 2545 within the Defense Civilian Personnel Data System. Below are some examples to help the member determine the appropriate Family-Member Life cancellation date.

5.5.6.5.9. The effective date of the Family-Member Life cancellation is determined by the reason for the discontinuance. Examples are: (1) If the employee covered only one dependent under Family-Member Life, and if the covered dependent passed away, the effective date of cancellation is the date of death of the family member; or (2) if the employee covered only one dependent under Family-Member Life, and the family member no longer meets the dependent definition under the plan (e.g., divorce, or child reached maximum age or is no longer a full-time student), the effective date of cancellation is the date of the status change; or (3) if the employee voluntarily cancels Family-Member Life coverage, the effective date of cancellation is the date the member signs the discontinuance form; or (4) if the employee is on leave-without-pay (LWOP) and fails to pay required premiums, the effective date of cancellation is the first day of the pay period immediately following the pay period in which the employee defaulted on the member's group life premiums; or (5) Family-Member Life ceases on the date the employee is no longer covered or eligible under the plan (e.g., upon separating from nonappropriated fund employment or changing to an ineligible employment category). See the Summary Plan Description for more details.

5.5.6.5.10. Reinstating Family-Member Life Coverage. An employee who previously canceled Family-Member Life coverage may be able to reinstate it, provided the family member meets the dependent's definition described in the Summary Plan Description

and the family member also submits approved Evidence of Insurability to the Carrier. Follow the instructions for Late Enrollment Evidence of Insurability in this chapter.

5.5.6.5.11. Reporting Family-Member Life Claims to Carrier. The Carrier pays a death benefit to the insured employee when it receives written proof that the covered dependent died while Family-Member Life coverage was in force. Report family-member death claims to the Carrier using the guidance shown in this chapter. In this case, the Carrier will correspond with the insured employee to obtain a certified death certificate and other documents needed to pay the Family-Member Life claim. The Human Resources Office will check with the employee to determine if they have any other eligible dependents covered under Family-Member Life. **(T-3)** If so, the employee's Family-Member Life coverage should remain in force and payroll deductions should continue as normal. Otherwise, if there are no more eligible dependents remaining under Family-Member Life, notify the Air Force Services Center Shared Service Center to cancel the employee's Family-Member Life coverage and payroll deductions as instructed below. Lastly, the Human Resources Office should have the employee review (and update, if necessary) the member's beneficiary designation information while at the Human Resources Office.

5.5.6.5.12. Processing AF Form 2545 in the Defense Civilian Personnel Data System to stop Family-Member Life Payroll Deductions. Follow the discontinuance instructions in paragraphs [5.5.10.1.1](#) through [5.5.10.1.4](#) in this chapter to notify the Air Force Services Center Shared Service Center of an employee's cancellation of Family-Member Life coverage/payroll deductions using AF Form 2545 in the Defense Civilian Personnel Data System.

5.5.7. Effective Date of Coverage and Payroll Deductions. Regular employees may enroll in the Group Life Plan during the first 30 calendar days after their nonappropriated fund hire date or reclassification to an eligible (regular) employment category. Coverage is effective the first day immediately after serving a 30 calendar day waiting period (i.e., on the 31st calendar day after hire or reclassification), provided the employee completes and returns an enrollment form during that time to the Human Resources Office. Payroll deductions begin with the first day of the pay period in which the employee's coverage is effective.

5.5.8. Processing Enrollment Elections. Enroll eligible employees/dependents in the plan according to the guidance below:

5.5.8.1. Timely Enrollment. Enrolling During 30 Calendar Day Waiting Period. The employee must timely request life coverage through the Human Resources Office within the 30 calendar day waiting period, i.e., within 30 calendar days of the member's regular appointment or reclassification to an eligible employment category:

5.5.8.1.1. The employee and the Human Resources Office must complete an enrollment form and a beneficiary designation form. Advise the employee to keep beneficiary designations current because the Carrier will pay death benefits to the individual(s) or party(ies) listed on the most current beneficiary form. **(T-3)** File the two forms in the employee's Official Personnel Folder.

5.5.8.1.2. Inform the employee that coverage is effective the first day immediately after serving the 30 calendar day waiting period (meaning, on the 31st calendar day

after hire or reclassification), and that payroll deductions begin in the same pay period coverage becomes effective. Also advise the employee that they are responsible for accuracy of deductions and timely reporting of errors or status changes on the member's Leave and Earning Statement to the Human Resources Office for prompt resolution.

5.5.8.1.3. Process AF Form 2545 to Start Payroll Deductions. Process an AF Form 2545 within the Defense Civilian Personnel Data System to start payroll deductions for group life premiums effective on the 31st calendar day after hire or reclassification; use the applicable plan code provided by the Air Force Services Center Benefits and Insurance Branch. File a copy of the personnel form in the employee's Official Personnel Folder.

5.5.8.2. Late Enrollment Evidence of Insurability—Enrolling After 30 Calendar Day Waiting Period. To enroll an eligible employee and/or dependent who requests coverage in the plan after the 30 calendar day waiting period (late entrant), follow the instructions below:

5.5.8.2.1. The employee/dependent and the Human Resources Office must complete the designated sections of the Carrier's Evidence of Insurability form. **(T-3)** The Human Resources Office submits the completed Evidence of Insurability application to the Carrier as instructed by the Air Force Services Center Benefits and Insurance Branch and establishes a suspense for a copy for follow-up in 3 weeks. If a response or decision is not received within this period, the Human Resources Office checks the status of the Evidence of Insurability form online at the Carrier's website or calls the Carrier directly.

5.5.8.2.2. The Human Resources Office also instructs the employee to complete an enrollment form and a beneficiary designation form, and establishes a suspense for both forms with the employee's Evidence of Insurability form until the Carrier approves, disapproves, or closes out the request for coverage.

5.5.8.2.3. The Carrier will correspond with the employee/dependent directly if it suspends the Evidence of Insurability review (application) for any reason. The person(s) must comply with the request in order for the Carrier to resume Evidence of Insurability consideration. **(T-3)** After the Carrier receives the necessary information, it will notify the Human Resources Office and Evidence of Insurability applicant(s) of its final decision in writing. Otherwise, the Carrier will close out the Evidence of Insurability application for no response/incomplete data.

5.5.8.2.4. If the Carrier approves coverage, file the completed enrollment and beneficiary forms, the Evidence of Insurability form, and the Carrier decision notice in the employee's Official Personnel Folder. Inform the employee that group coverage is effective only for the individual(s) whose Evidence of Insurability is approved by the Carrier as follows: (1) If the Evidence of Insurability is approved on the first day of a month, coverage is effective on that day; (2) if the Evidence of Insurability is approved on any other day of the month, coverage is effective the first day of the next month. See the Summary Plan Description for more details. **Note:** A dependent's coverage cannot take effect unless the employee's coverage is also effective.

- 5.5.8.2.5. Process AF Form 2545 to Start or Change Payroll Deductions. Process an AF Form 2545 in the Defense Civilian Personnel Data System to start, or change, an employee's payroll deductions for group life premiums; use the applicable plan code provided by the Air Force Services Center Benefits and Insurance Branch. Determine the appropriate effective date of coverage using the Evidence of Insurability approval rules discussed in this chapter. File a copy of the personnel form in the employee's Official Personnel Folder.
- 5.5.8.2.6. If the Carrier denies coverage or informs the Human Resources Office that the applicant's Evidence of Insurability status is incomplete, the Human Resources Office will notify the employee/dependents they are not covered under the Plan and destroy the previously-completed enrollment and beneficiary designation forms, as applicable. **(T-3)**
- 5.5.8.3. Special Enrollment Instructions Related to Military Furlough. Employees on military furlough who either (1) elected to cancel coverage prior to the start of their military furlough period or (2) converted to an individual policy with the Carrier when their 12-month military furlough (LWOP) period expired, may immediately enroll themselves and their dependents in the plan within 30 calendar days of returning to nonappropriated fund employment status. The effective date of group life coverage is the date the employee resumes nonappropriated fund employment, provided they have completed and returned an enrollment form to the Human Resources Office within the 30 calendar day period. If the employee fails to re-enroll himself/herself and eligible dependents in the plan within 30 calendar days of resuming nonappropriated fund employment, then they will have to submit an Evidence of Insurability application to the Carrier for approval before coverage can begin. See additional guidance on military furlough in this chapter.
- 5.5.8.4. Determining Amount of Employee Life Insurance and Corresponding Class Code.
- 5.5.8.4.1. The Carrier uses the basic yearly earnings (BYE) criteria described in the Summary Plan Description to calculate an employee's life insurance benefit. Active employees fall into two basic categories: (1) Employees whose BYE is \$48,000 or less; or (2) employees whose BYE is more than \$48,000. Consequently, the amount of an employee's life insurance depends on which BYE category they fall under.
- 5.5.8.4.1.1. For employees whose BYE is \$48,000 or less, the amount of life insurance is either: the lesser of the BYE, rounded to the next higher \$1,000 multiple (if not already an even multiple thereof), times one and one-half; or \$50,000.
- 5.5.8.4.1.2. For employees whose BYE is more than \$48,000, the amount of life insurance is one times the BYE, rounded to the next higher \$1,000 multiple (if not already an even multiple thereof), plus \$2,000.
- 5.5.8.4.2. To determine an employee's life insurance amount, calculate the member's BYE as explained in the following **Examples**:
- 5.5.8.4.2.1. To calculate the BYE, multiply the employee's first-shift hourly rate by 2080 (*"2080" is the factor used to calculate the amount of work hours annually for life insurance purposes*) and round the dollar amount up to the next higher \$1,000 multiple (if not already an even \$1,000 multiple thereof), times one and one-

half. **Example:** $\$15.85 \times 2080 = \$32,968$ BYE. Round to next higher \$1,000 multiple, or \$33,000. Multiply \$33,000 by 1.5 = \$49,500. \$49,500 = Life insurance amount.

5.5.8.4.2.2. If the employee's BYE results in an even thousand dollar multiple, e.g., \$13,000, do not round the amount up to the next higher \$1,000 multiple. Instead, multiply the resulting even thousand dollar multiple (e.g., \$13,000) times one and one-half. **Example:** $\$6.25 \times 2080 = \$13,000$ BYE. Since \$13,000 is an even thousand dollar multiple already, it is not rounded-up. Instead, multiply \$13,000 by 1.5 = \$19,500. \$19,500 = Life insurance amount.

5.5.8.4.2.3. Employees whose BYE is more than \$33,000, but not more than \$48,000, are automatically covered for \$50,000 life insurance.

5.5.8.4.2.4. For employees whose BYE is more than \$48,000, the amount of life insurance is the amount of the BYE rounded to the next higher \$1,000 multiple (if not already an even \$1,000 multiple thereof), plus \$2,000. **Example:** $\$25.25 \times 2080 = \$52,520$ BYE. Round to next higher \$1,000 multiple, or \$53,000. Take \$53,000 and add \$2,000 = \$55,000. \$55,000 = Life insurance amount or **Example:** $\$25.00 \times 2080 = \$52,000$ BYE. Since \$52,000 is an even thousand dollar multiple already, it is not rounded-up. Instead, take \$52,000 and add \$2,000 = \$54,000. \$54,000 = Life insurance amount.

5.5.8.4.3. The Air Force Services Center Benefits and Insurance Branch will provide on request and post a copy of the BYE salary range/life insurance class codes on the Air Force Services Center website for processing group life-related AF Forms 2545 in the Defense Civilian Personnel Data System. **(T-2)**

5.5.9. Processing Waivers of Enrollment.

5.5.9.1. If an employee initially waives coverage during the 30 calendar day waiting period or when first eligible, the employee and Human Resources Office must complete a waiver of coverage form. **(T-3)** Document the waiver on an AF Form 2545 in the Defense Civilian Personnel Data System. File the waiver form and a copy of the personnel form in the employee's Official Personnel Folder.

5.5.9.2. Should the employee and dependents (if applicable) later desire to enroll in the plan, they must first submit an approved Evidence of Insurability application to the Carrier before coverage can take effect. **(T-3)**

5.5.10. Processing Cancellations of Coverage.

5.5.10.1. The Human Resources Office will use AF Form 2545 in the Defense Civilian Personnel Data System to notify the Air Force Services Center Shared Service Center of an employee's cancellation of group life insurance when they request to discontinue coverage, terminate or separate from nonappropriated fund employment, or change to an ineligible employment category. **(T-3)** An employee does not pay a premium in the pay period during which the cancellation of coverage occurs.

5.5.10.1.1. Discontinuing Coverage. If the employee elects to cancel all or only a portion of the member's group life coverage (e.g., cancel Family-Member Life only), the employee and Human Resources Office must complete a discontinuance of

coverage form. **(T-3)** The Human Resources Office files the form in the employee's Official Personnel Folder. The effective date for each transaction follows:

5.5.10.1.2. For voluntary cancellation of coverage, cancel the insurance effective with the date the employee signed the discontinuance form.

5.5.10.1.3. For termination/separation from nonappropriated fund employment or change to an ineligible category, cancel coverage effective with either the date of the employee's termination/separation or the date of the category change to flex; whichever is applicable.

5.5.10.1.4. For cancellations of coverage for employees who are on approved LWOP or military furlough, see separate instructions in this chapter.

5.5.11. Processing Name Changes. The Human Resources Office will use AF Form 2545 in the Defense Civilian Personnel Data System to notify the Air Force Services Center Shared Service Center of employee personal data changes. **(T-3)** The Human Resources Office will verify name change using applicable legal documentation. **(T-3)** The employee and the Human Resources Office also must complete new enrollment/beneficiary designation forms reflecting the employee's new name. **(T-3)** File the legal information/forms in the employee's Official Personnel Folder.

5.5.12. Processing Transfers.

5.5.12.1. The Human Resources Office determines if a transferring employee meets the eligibility criteria to continue participation in the Plan at the gaining installation.

5.5.12.1.1. Transfers Without a Break in Service. If an enrolled employee transfers without a break in service, coverage continues without interruption and the employee is not subject to the 30 calendar day waiting period for enrollment purposes. The transfer AF Form 2545 should reflect continuing group life coverage if the employee had it at the member's previous duty station. The employee does not need to complete new enrollment and beneficiary forms at the gaining installation since there is no break in coverage. However, the employee may choose to review the member's beneficiary designation information to ensure it is still current. Notify the Air Force Services Center Shared Service Center of the transfer-in enrollment action using AF Form 2545 in the Defense Civilian Personnel Data System to start payroll deductions. **Note:** The employee may continue in the same type of coverage at the gaining installation as they had previously at the former installation. For example, if the employee had employee-only coverage at the former installation, they may continue in employee-only coverage at the gaining installation. The employee may not change or increase to employee-with-family member coverage at the gaining installation unless, at the time of transfer, the employee experienced a change in family status (e.g., marriage or birth/adoption of a child), or the dependent(s) was newly approved for coverage by the Carrier under Evidence of Insurability.

5.5.12.1.2. Transfer Between Nonappropriated Fund Instrumentalities Occurring in Two Different, But Successive Pay Periods. If the termination of employment from the losing installation and subsequent employment with the gaining installation occur in two different but successive pay periods, a full premium payment is made for each pay period at the respective installation.

5.5.12.1.3. Transfer Between Nonappropriated Fund Instrumentalities Occurring In Same Pay Period. If the termination of employment from the losing installation and subsequent employment in the gaining installation occur in the same pay period, a full premium payment for the pay period is made by the gaining installation. If premiums are deducted by both installations, the losing installation will refund the erroneous premium deductions to the employee and gaining installation. **(T-3)**

5.5.12.1.4. Transfers With A Break In Service. If an enrolled employee transfers with a break in service of one or more workdays, determine if the employee is still eligible for the Plan at the gaining installation. If the employee, including dependents, does not meet the eligibility criteria outlined in this chapter and the Summary Plan Description, they may not enroll in the plan. If the employee is not eligible to continue participation in the plan, the Human Resources Office will notify the Air Force Services Center Shared Service Center of the life insurance cancellation using AF Form 2545 in the Defense Civilian Personnel Data System; this action will stop payroll deductions. **(T-3)** File a copy of the personnel form in the employee's Official Personnel Folder. Otherwise, if the employee (and dependents) is eligible for participation, follow the appropriate guidance in this chapter for enrolling the employee/dependents in the plan based on their reason for eligibility (e.g., new appointment, change to regular category, approved Evidence of Insurability, etc.).

5.5.13. Waiver of Premium Due to Total Disability.

5.5.13.1. When an employee provides the Human Resources Office with written notice of permanent and total disability, determine the member's eligibility for waiver of premium for life insurance according to the Summary Plan Description. The Summary Plan Description contains important age criteria, application timelines, and other detailed requirements. The waiver of premium benefit does not pertain to Accidental Death and Dismemberment coverage or Family-Member Life coverage, as explained below.

5.5.13.1.1. Waiver of Premium Application. Waivers of premium-disability coverage are employee-initiated and must be submitted with the appropriate claim forms/supporting evidence to the Carrier as instructed by the Air Force Services Center Benefits and Insurance Branch. (Go to the Air Force Services Center website for electronic copies of the waiver of premium claim forms or request copies through the Air Force Services Center Benefits and Insurance Branch.)

5.5.13.1.2. Employee/Employer Premiums During Waiver of Premium Application Process. While the waiver of premium application is being considered, the employee and employer continue paying biweekly premiums in case the claim is denied (to avoid a lapse in coverage). In a few weeks, the Carrier will send notice of approval or disapproval to the employee and Human Resources Office based on the employee's claim application.

5.5.13.1.2.1. If approved, the Human Resources Office processes an AF Form 2545 in the Defense Civilian Personnel Data System to discontinue employee and employer contributions while the employee is disabled, and also annotates on the personnel form that the employee is under waiver of premium-disability life coverage.

5.5.13.1.2.2. If disapproved, the employee and employer continue paying the required premiums so coverage will remain in force without interruption.

5.5.13.1.2.3. The Accidental Death and Dismemberment portion of the employee's coverage and Family-Member Life coverage (if applicable) will cease while the employee is under the waiver of premium-disability coverage. The Family-Member Life coverage for dependents may be converted to an individual policy with the Carrier while the employee is on waiver of premium- disability. The Accidental Death and Dismemberment coverage, however, may not be converted and remains inactive for the duration that the employee is on waiver of premium. For these and other special provisions that apply under waiver of premium, refer to the Summary Plan Description.

5.5.13.1.2.4. After the employee is approved for waiver of premium, the Carrier will periodically request proof of continued disability. The employee must comply with the Carrier's request in a timely manner; otherwise, waiver of premium coverage stops. **(T-3)** Waiver of premium coverage also stops if the employee is no longer totally disabled or recovers and returns to work.

5.5.13.1.2.5. Should the employee pass away while on waiver of premium-disability coverage, contact the Air Force Services Center Benefits and Insurance Branch for special guidance on e-claim filing procedures.

5.5.13.1.3. Disability–Income Replacement Clause. Other than the waiver of premium-disability coverage discussed above, the plan does not have a disability clause which would allow employees to receive payments while out on disability. The plan does not offer an income replacement provision for disability. Instead, in place of short or long term disability insurance, employees may use their annual or sick leave to be paid during the period of their disability; or if applicable, they may request approval through their supervisors and the Human Resources Office to be placed on LWOP. Employees may also go through their supervisors and Human Resources Office to solicit leave donations from eligible nonappropriated fund employees to offset time away from duty.

5.5.14. Beneficiary Designations/Changes. The Human Resources Office will advise employees to designate their beneficiary(ies) on a beneficiary designation form upon enrolling in the plan. **(T-3)**. Refer to the Summary Plan Description and/or check with the Air Force Services Center Benefits and Insurance Branch for acceptable beneficiary designations. If the employee's beneficiary information appears to be valid, file the form in the member's Official Personnel Folder. After initial enrollment, employees may update their beneficiary information anytime. Employees should keep their beneficiary designation(s) current and update this information at least annually or upon a life-changing event. In the event of the employee's death, the Carrier will pay the benefit according to the information listed on the most current beneficiary designation form.

5.5.15. LWOP–Continuation of Insurance Coverage.

5.5.15.1. During approved LWOP, an employee may elect to continue coverage under the plan, provided the employee continues to pay the required employee share of the premium. Consequently, the employer will continue to pay the employer's share. This LWOP

provision for insurance continuation also applies to employees placed on Workers' Compensation for a work-related accident or injury.

5.5.15.2. LWOP. The maximum period an employee may remain in the plan during a period of LWOP, for reasons other than illness or injury, is limited to 12 months.

5.5.15.2.1. The Human Resources Office should counsel the supervisor and employee prior to the LWOP period about continuing participation in the plan and the termination of coverage due to nonpayment of premiums, as well as reinstatement of coverage opportunities.

5.5.15.2.2. When an employee in LWOP status fails to pay required premiums, the Human Resources Office cancels group life coverage effective on the first day of the pay period following the pay period in which the employee failed to make a premium. Notify the Air Force Services Center Shared Service Center of the coverage cancellation using AF Form 2545 in the Defense Civilian Personnel Data System. File a copy of the personnel form in the employee's Official Personnel Folder.

5.5.15.3. Losing Coverage. Any employee losing group coverage due to the nonpayment of premiums is not eligible for continuing coverage and may not re-enroll in the plan until such time as Evidence of Insurability is approved by the Carrier. This includes dependents if the employee was enrolled in Family-Member Life coverage at the time of loss.

5.5.15.4. LWOP Due to Transfer With Head of Household. Regular employees on LWOP due to transfer with head of household are entitled to remain in the plan for up to 150 calendar days to avoid a break in service. The Human Resources Office should counsel employees prior to departure about continuing participation in the plan while on LWOP, continuing coverage programs upon expiration of the LWOP, termination of coverage due to nonpayment of premiums, as well as reinstatement of coverage opportunities.

5.5.15.4.1. If an employee does not elect to continue participation in the plan, the employee and Human Resources Office need to complete a discontinuance of coverage form. The Human Resources Office notifies the Air Force Services Center Shared Service Center of the employee's cancellation of group life coverage using AF Form 2545 in the Defense Civilian Personnel Data System. The effective date of cancellation is the date the employee signs the discontinuance form. File the discontinuance form and a copy of the personnel form in the employee's Official Personnel Folder.

5.5.15.4.2. If an employee elects to continue participation in the Plan, the Human Resources Office will suspense a copy of the employee's life enrollment form for 150 calendar days, and follow the guidance below. **(T-3)**

5.5.15.4.2.1. The Human Resources Office notifies the Air Force Services Center Shared Service Center to separate the employee from nonappropriated fund employment when the employee reaches the end of the 150 calendar day LWOP period, unless a gaining installation contacts the losing installation to request the employee's Official Personnel Folder for purposes of continuing the member's life coverage without a break. (Contact the Air Force Services Center Benefits and Insurance Branch for special guidance for continuing the employee's coverage at the gaining installation without interruption.) Otherwise, upon the expiration of the 150 calendar day LWOP period, process an AF Form 2545 within the Defense

Civilian Personnel Data System separating the employee from nonappropriated fund employment; and at that point, coverage ceases effective on the date the employee lost LWOP eligibility. File the life enrollment form and a copy of the personnel form in the employee's Official Personnel Folder.

5.5.15.4.2.2. If the employee fails to pay required premiums during the 150 calendar day LWOP period, process an AF Form 2545 in the Defense Civilian Personnel Data System to cancel coverage effective on the first day of the pay period after the pay period they fail to make a payment. File the life enrollment form and a copy of the personnel form in the employee's Official Personnel Folder.

5.5.15.4.2.3. If an employee is rehired in an eligible employment category before the expiration of the LWOP, verify with the losing Human Resources Office that the employee made all required premium payments and that coverage was not terminated.

5.5.15.4.2.3.1. If the employee's account is current, the gaining Human Resources Office requests the employee's Official Personnel Folder from the losing Human Resources Office. Since group life coverage will remain in force, the employee is not required to complete new enrollment and beneficiary forms at the gaining installation. However, the employee may choose to review the member's beneficiary designation information to ensure it is still current. The gaining Human Resources Office notifies the Air Force Services Center Shared Service Center of the employee's continued enrollment using AF Form 2545 in the Defense Civilian Personnel Data System to start payroll deductions.

5.5.15.4.2.3.2. If the employee's account is not current and coverage has not yet been canceled, and if the employee is still eligible to remain in the plan, the employee must first pay required retroactive premiums to the losing installation. **(T-3)** The gaining Human Resources Office verifies with the losing Human Resources Office that the employee made all the required payments, and then follows the instructions for notifying the Air Force Services Center Shared Service Center of the employee's continued enrollment at the gaining installation as discussed in this chapter.

5.5.16. Military Furlough. The Human Resources Office counsels employees placed on military furlough for enlistment, induction, or recall to extended active duty that they and covered dependents may continue participating in the plan for a maximum of 12 months following military activation. Under military furlough, the Human Resources Office will administer the employee's continuation of coverage similarly to LWOP actions. **(T-3)** **Exception:** Prior to starting the military furlough period, the employee must elect either to cancel or continue the member's participation in the plan; then the Human Resources Office takes action as follows: **(T-3)**

5.5.16.1. If the employee chooses to cancel group life coverage while on military furlough, the employee and Human Resources Office must complete a discontinuance of coverage form. **(T-3)** Cancel the life insurance effective with the date the employee signed the discontinuance form. The Human Resources Office files the form in the employee's Official Personnel Folder. Use AF Form 2545 in the Defense Civilian Personnel Data

System to notify the Air Force Services Center Shared Service Center of the employee's cancellation of group life coverage.

- 5.5.16.1.1. Advise the employee/dependents that they may immediately reinstate the same coverage they had under the Plan within 30 calendar days of the employee's return to nonappropriated fund employment with no waiting period. Upon resuming nonappropriated fund employment, the employee and Human Resources Office must complete new life enrollment and beneficiary forms; file both forms in the employee's Official Personnel Folder. The effective date of coverage is the date the employee returns to nonappropriated fund employment. Use AF Form 2545 in the Defense Civilian Personnel Data System to notify the Air Force Services Center Shared Service Center of the employee's change in insurance coverage (i.e., reinstatement of group life coverage) and to start payroll deductions. **(T-3)**
- 5.5.16.1.2. If the employee fails to re-enroll in the plan within 30 calendar days of resuming nonappropriated fund employment, then they and their dependents will have to submit an approved Evidence of Insurability application to the Carrier before coverage can begin. See Evidence of Insurability procedures this chapter.
- 5.5.16.2. If the employee chooses to continue group life coverage while on military furlough, they must continue paying the required employee share of the premium. **(T-3)** Consequently, the employer will continue paying the employer's share. **(T-3)** As long as the respective premium shares continue to be paid, the employee's group life coverage remains in force.
 - 5.5.16.2.1. The Human Resources Office counsels the employee prior to the military furlough period about continuing participation in the plan and the termination of coverage due to nonpayment of premiums, as well as reinstatement of coverage opportunities.
 - 5.5.16.2.2. If the employee on military furlough fails to pay the required premiums at any time during the 12-month continuation period, the Human Resources Office must cancel coverage due to nonpayment effective with the first day of the pay period following the pay period in which the employee defaulted. **(T-3)** Process an AF Form 2545 in the Defense Civilian Personnel Data System to notify the Air Force Services Center Shared Service Center of the employee's cancellation of group life coverage. File a copy of the personnel form in the employee's Official Personnel Folder.
- 5.5.16.3. Losing Coverage. Any employee losing group coverage due to the nonpayment of premiums is not eligible for continuing coverage and may not re-enroll in the plan until such time as Evidence of Insurability is approved by the Carrier. This includes dependents if the employee was enrolled in Family-Member Life coverage at the time of loss.
 - 5.5.16.3.1. Should the employee continue to be carried in a military furlough status beyond the 12 month period, the member's group life coverage must cease. Instead, the employee/dependents will be given the opportunity to convert their group coverage to an individual policy if they meet the requirements below. **(T-3)**
 - 5.5.16.3.2. To be eligible for conversion, the employee/dependents must have continued group coverage for the full 12-month military furlough period and paid all required premiums. **(T-3)** If so, they may apply for a conversion policy by submitting

an application to the Carrier within 31 calendar days after the 12-month continuation period expires. (Go to the Air Force Services Center website for an electronic copy of the conversion application form or request a copy through the Air Force Services Center Benefits and Insurance Branch.) The conversion period may be extended for an additional 60 calendar days if the employee cannot meet the initial 31 calendar day deadline due to difficulties related to military deployment. To initiate the 60 calendar day extension request, the employee, spouse, or close family member must contact the Carrier before the initial 31 calendar day conversion deadline expires. The Carrier must receive the employee's completed conversion application and proof of active military service within the 60 calendar day extension period. From that point on, the Carrier takes over until such time the employee returns to nonappropriated fund duty. The employee should immediately cancel any conversion policy (if in effect at that time) and re-enroll in the Air Force Nonappropriated Fund Group Life and Accidental Death and Dismemberment Plan within 30 calendar days of returning to nonappropriated fund duty.

5.5.16.3.2.1. Since the employee's group life coverage may not continue beyond the maximum 12 month continuation period, the Human Resources Office must notify the Air Force Services Center Shared Service Center to cancel it using AF Form 2545 in the Defense Civilian Personnel Data System. **(T-3)** The effective date of cancellation is the last day of the 12 month period. File a copy of the personnel form in the employee's Official Personnel Folder.

5.5.16.3.2.2. If the Human Resources Office has to cancel the employee's group life coverage at the end of the 12 month period, inform the employee that it may be reinstated immediately upon the member's return to nonappropriated fund employment. Follow the group life enrollment instructions in this chapter.

5.5.17. Conversion of Group Life Insurance to an Individual Policy. If an employee losing group life insurance does not qualify for continuing coverage under any of the retiree life programs, the Human Resources Office will inform the employee of the conversion privilege as described in the Summary Plan Description. **(T-3)** If the employee also had Family-Member Life (dependent) coverage in effect at the time of loss, they may convert it to an individual policy with the Carrier as well. Before converting, the Human Resources Office verifies the employee (and dependents, if applicable) is enrolled in the plan on the day before losing group eligibility. If the employee is interested in converting coverage (including Family-Member Life) to an individual policy, have them complete a conversion application and send it along with the initial premium to the Carrier within 31 calendar days after loss. (Go to the Air Force Services Center website for a conversion application form or request a copy through the Air Force Services Center Benefits and Insurance Branch.) No medical exam will be required if application for conversion is made to the Carrier within 31 calendar days. **(T-3)**

5.5.18. Performing Routine Insurance Audits/Reconciling Reports.

5.5.18.1. The Human Resources Office will reconcile the biweekly group insurance enrollment/payroll deduction report generated by the Air Force Services Center Shared Service Center with life insurance-related actions submitted on AF Forms 2545, and take corrective action in the Defense Civilian Personnel Data System or through the Air Force Services Center Shared Service Center, as required. **(T-3)**

5.5.18.1.1. For example, the Human Resources Office will verify each pay period that employees' payroll deductions correspond with their coverage elections using a detailed group insurance enrollment/deduction report. **(T-3)** The payroll report will match the enrollment data in the Defense Civilian Personnel Data System. **(T-3)** The Human Resources Office will correct any errors in the Defense Civilian Personnel Data System and notify or coordinate with the Air Force Services Center Shared Service Center for resolution accordingly. **(T-3)**

5.5.18.1.2. Employee Premium Shortages. The Human Resources Office coordinates with the Air Force Services Center Shared Service Center using whatever means available to immediately inform an employee when pay is insufficient to cover the member's group life premiums. In addition, the Human Resources Office will:

5.5.18.1.2.1. Instruct the employee to pay the shortage by the next pay period following the pay period in which the shortage occurred. **(T-3)**

5.5.18.1.2.2. Notify the Air Force Services Center Shared Service Center when the employee failed to timely pay the shortage as instructed. **(T-3)** Human Resources Office also notifies the employee that coverage is canceled due to nonpayment of premiums.

5.5.18.1.3. The Human Resources Office processes an AF Form 2545 in the Defense Civilian Personnel Data System to notify the Air Force Services Center Shared Service Center of the employee's cancellation of group life coverage. The effective date of cancellation is the first day of the pay period immediately following the pay period in which the shortage occurred. File a copy of the personnel form in the employee's Official Personnel Folder.

5.5.18.1.3.1. Losing Coverage. Any employee losing group coverage due to the nonpayment of premiums is not eligible for continuing coverage and may not re-enroll in the plan until such time as an Evidence of Insurability application is approved by the Carrier. This includes dependents if the employee was enrolled in Family-Member Life coverage at the time of loss.

5.5.18.1.4. As long as employees continue to pay their share of the premium, the employer continues to pay the employer share. Coverage remains in effect as long as the respective shares are paid.

5.6. Air Force Services Center Benefits and Insurance Branch. The Air Force Services Center Benefits and Insurance Branch announces plan changes, reviews, sets and implements contribution rates, as applicable, based on Carrier premiums, claims utilization, and participant demographics.

5.6.1. Current Rates. Basic Life and Accidental Death and Dismemberment coverage is contributory; the current cost shares are:

5.6.1.1. Active employees pay 54% of the total premium, and the cost share for the employing Nonappropriated Fund Instrumentality is 46% of the total premium. The employee pays 100% of the cost of Family-Member Life coverage.

5.6.1.2. Eligible former employees/retirees pay the entire cost of basic life coverage, as appropriate, for their class with one **Exception:** if an individual qualified for non-

contributory continuing coverage upon meeting the minimum age/participation requirements, basic life coverage is free.

5.6.2. The Air Force Services Center Benefits and Insurance Branch forwards approved rates to the Human Resources Offices, the Air Force Services Center Shared Service Center, and other Air Force Services Center functional offices for implementation. The Air Force Services Center Shared Service Center updates tables and processes the approved premium rates for active employees.

5.6.3. Plan Changes. The Air Force Services Center Benefits and Insurance Branch announces any information on benefit or plan changes, as required. The Human Resources Office handles plan communications for insured active employees and their covered dependents. The Air Force Services Center Benefits and Insurance Branch publicizes plan communications for former employees/retirees enrolled in continuing coverage.

5.6.4. Providing guidance on accelerated benefits. The Carrier offers an accelerated (advanced) death benefit if a participant's life expectancy is twelve months or less due to a terminal condition caused by sickness or accident. (See Summary Plan Description for more details and any restrictions or fees that apply to this benefit.) If the Human Resources Office determines that a participant potentially qualifies for accelerated benefits, have the attending physician submit written proof of the individual's terminal condition to the Carrier for immediate consideration. Contact the Air Force Services Center Benefits and Insurance Branch for the required claim forms and special guidance on e-claim filing procedures.

5.6.5. Continuing Coverage Programs. Employees losing coverage because of resignation, retirement, separation, termination, base closure, Business Based Action, or reclassification to an ineligible employment category, etc., may be eligible to continue coverage under the Group Life Plan as described below. Should an employee lose coverage due to removal for cause/gross misconduct, contact the Air Force Services Center Benefits and Insurance Branch for special instructions and available continuation options.

5.6.5.1. Continuing Coverage Under the Group Life Plan. Employees losing eligibility for any of the reasons listed above may continue basic life insurance, but not Accidental Death and Dismemberment, under either of two retiree programs, if they are enrolled in the plan at the time coverage ends, and they also meet the minimum age/participation criteria, and in some cases, service requirements. Under the two retiree programs, the amount of basic life insurance reduces at certain age levels. Refer to the Summary Plan Description for more information on these age-related benefit reductions and program eligibility requirements.

5.6.5.1.1. Eligibility for Former Employees/Retirees for Non-Contributory Coverage. To qualify, former employees/retirees must be enrolled in the plan on the day before loss of coverage, be age 62 and older with at least 15 years (cumulative total) of participation in the plan. Former employees/retirees pay no premium for this continuing coverage (*100% Non-contributory*).

5.6.5.1.2. Eligibility for Former Employees/Retirees for Contributory Coverage. To qualify, former employees/retirees must be enrolled in the plan on the day before loss of coverage, be age 52 and older with at least 5 years (cumulative total) of participation in the plan; or be age 50 and older with at least 5 years (cumulative total) of

participation in the plan and at least 20 years of regular Air Force nonappropriated fund service who have been involuntarily terminated, other than for cause; or be under age 52 with at least 5 years (cumulative total) of participation in the plan and at least 25 years of regular Air Force nonappropriated fund service who have been involuntarily terminated, other than for cause. Former employees/retirees pay the full premium cost of this continuing coverage (100% Contributory).

5.6.5.1.3. Required Documentation. If a former employee/retiree qualifies for continuing coverage under either the non-contributory or contributory retiree life program, send the required documentation using a Human Resources Office checklist to the Air Force Services Center Benefits and Insurance Branch within 30 calendar days of the date of eligibility. Go to the Air Force Services Center website for an electronic copy of the checklist or request it through the Air Force Services Center Benefits and Insurance Branch.

5.7. Air Force Services Center Shared Service Center.

5.7.1. Processing Personnel Forms within Payroll System in the following ways:

5.7.1.1. The Air Force Services Center Shared Service Center processes transactions through the Defense Civilian Personnel Data System that begin, cancel, or change the employee and employer payroll deductions for group life coverage.

5.7.1.2. For cancellations and terminations, including discontinuance of coverage at an employee's request, do not deduct employee and employer premiums for the last pay period that the insurance was in effect.

5.7.1.2.1. For enrollments, payroll deductions start in the same pay period that an employee's coverage is effective.

5.7.1.3. The Air Force Services Center Shared Service Center also processes any other life insurance-related actions based upon information received from the Defense Civilian Personnel Data System. The effective date of the personnel form determines when deductions for coverage start, stop, or change.

5.7.1.3.1. For a change that increases coverage (from single to family coverage, or from low option to high option Family-Member Life), payroll deductions for the increased coverage begin with the pay period during which the change becomes effective. The effective date of the insurance change depends on the event that prompted the employee's opportunity to increase coverage such as a newly eligible dependent due to marriage, birth/adoption of a child, or enrollment as a full-time student.

5.7.1.3.2. For a change that decreases coverage (from family to single coverage, or from high option to low option Family-Member Life), do not deduct employee and employer premiums for family or high option Family-Member Life for the last pay period such coverage was in effect. The effective date of the insurance change depends on the event that prompted the employee's opportunity to decrease coverage such as an ineligible dependent, death, divorce, or upon the employee's request.

5.7.2. Performing Routine Insurance Audits/Reconciling Reports.

5.7.2.1. The Human Resources Office works through the Defense Civilian Personnel Data System and the Air Force Services Center Shared Service Center to make corrections as necessary.

5.7.2.2. If an insurance correction (refund or deduction) applies to two pay periods or less, correct errors through the payroll system using current Air Force Records Information Management System payroll procedures.

5.7.2.3. If an insurance correction is for more than two pay periods, the Air Force Services Center Shared Service Center in coordination with the Human Resources Office, will provide the following information to the Air Force Services Center Benefits and Insurance Branch for review and corrective action. **(T-3)**

5.7.2.3.1. Explanation of the problem and include the Nonappropriated Fund Cash Management Investment Program number and the pay periods involved. **(T-3)**.

5.7.2.3.2. Copies of the AF Form 2545 reflecting the effective date of the incorrect information (group insurance plan code or effective date, etc.) and the AF Form 2545 reflecting the effective date of the correction. **(T-3)** Also include copies of supporting documents reflecting the employee's enrollment, change, cancellation, or waiver of insurance, as applicable.

5.7.2.3.3. Worksheet indicating, by pay period, the amounts actually paid by the employee and employer, along with the amounts that should have been paid by both parties. **(T-)** (Take into account any rate changes that may have occurred under the plan.)

5.7.2.3.4. Name, social security number, and home address of the employee involved. **(T-3)**.

5.7.3. Corrective Action. The Human Resources Office will notify the employee of the corrective action, including the related refund or retroactive amount due, and the procedures for requesting a waiver of indebtedness (AFMAN 34-202, Chapter 8). **(T-3)**

5.7.4. Contribution Shortages.

5.7.4.1. The Air Force Services Center Shared Service Center will coordinate with the Human Resources Office, and review any available arrearage/shortage reports generated by the Air Force Services Center Shared Service Center, and also initiate some method of contact or notice when an employee's pay is insufficient to cover the member's share of the group life premium. **(T-3)** This is especially important as premium arrearages/shortages typically occur when an employee goes on LWOP (including LWOP related to workers' compensation) or furlough.

5.7.4.1.1. If the employee pays the shortage no later than the pay period following the one in which the shortage occurred, the Air Force Services Center Shared Service Center processes the collection for the next pay period. Coverage continues without interruption.

5.7.4.1.2. If the employee fails to pay the shortage by the pay period following the one in which the shortage occurred, the Human Resources Office contacts the employee to determine payment status. If no resolution occurs, the Human Resources Office immediately cancels coverage due to nonpayment, as explained below. The effective

date of cancellation is the first day of the pay period immediately following the default pay period. The Human Resources Office will process an AF Form 2545 in the Defense Civilian Personnel Data System to notify the Air Force Services Center Shared Service Center of the employee's cancellation of group life coverage and will file a copy of the personnel form in the employee's Official Personnel Folder. **(T-3)**

5.7.5. Reviewing Eligibility During LWOP.

5.7.5.1. Employees may continue coverage in the plan during a period of approved LWOP, provided they continue to pay their share of the employee premium; consequently, the employer Nonappropriated Fund Instrumentality continues to pay the employer's share. Coverage remains in effect as long as the respective shares are paid.

5.7.5.1.1. The Human Resources Office will coordinate with the Air Force Services Center Shared Service Center when an employee on LWOP fails to pay the required premiums or reaches the maximum period for participation as defined below. **(T-3)**

5.7.5.1.2. An employee on LWOP (for reasons other than illness or injury) is entitled to remain in the plan for 12 months unless the Air Force Services Center Benefits and Insurance Branch grants an extension.

5.7.5.1.3. An employee on LWOP due to transfer with head of household is entitled to remain in the plan for a maximum of 150 calendar days.

5.7.5.1.4. An employee on LWOP due to military furlough is entitled to remain in the plan for a maximum of 12 months. The Human Resources Office monitors the deductions for the duration of the military furlough, and follows the processing procedures in this chapter.

Chapter 6

NONAPPROPRIATED FUND FLEXIBLE BENEFITS PLAN

6.1. Definition. The Flexible Benefits Plan was established under the provisions of the 26 USC § 125, *Internal Revenue Code (IRC)* document. Participation in the Flexible Benefits Plan is voluntary.

6.2. Purpose. The Flexible Benefits Plan gives active Air Force nonappropriated fund employees enrolled in the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan the option to pay their group health/dental contributions with pre-tax dollars. By electing the Flexible Benefits Plan pre-tax option, employees redirect a portion of their gross salary to pay for group coverage under the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan. The salary portion, which is redirected, is not subject to federal income tax, social security tax, Medicare tax, or state income tax.

6.3. Management and Administration.

6.3.1. Air Force Services Center manages the Flexible Benefits Plan. The plan administrator is the Air Force Services Center Benefits and Insurance Branch who executes the Flexible Benefits Plan, publishes and distributes information related to the Flexible Benefits Plan, and also coordinates with Air Force Services Center legal office on various legislative or technical issues concerning the Flexible Benefits Plan, when required. This chapter outlines the general rules of the Flexible Benefits Plan.

6.3.2. The Human Resources Office performs base-level administration as instructed in this chapter, the Department of Defense Health Benefits Plan Policy, and the Air Force Services Center Benefits and Insurance Branch.

6.3.2.1. Department of Defense Health Benefits Plan Policy Document. For Department of Defense Health Benefits Plan Policy guidance, refer to DoDI 1400.25, Volume 1408, *DoD Civilian Personnel Management System: Insurance and Annuities for Nonappropriated Fund (NAF) Employees*.

6.3.3. The Air Force Services Center Payroll Branch processes the collection of employee and employer contributions under the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan associated with Flexible Benefits Plan participation as instructed by Air Force Services Financial Management System payroll procedures, and this chapter.

6.4. Obtaining Information. Human Resources Offices should forward technical questions, requests for additional supplies and information, and comments pertaining to the management and administration of the Flexible Benefits Plan to the Air Force Services Center Benefits and Insurance Branch.

6.5. Human Resources Office Responsibilities. Human Resources Offices administer the Flexible Benefits Plan as instructed in this chapter, and the Department of Defense Health Benefits Plan Policy.

6.5.1. Determine Eligibility for Participation. Participation in the Flexible Benefits Plan is restricted to active Air Force nonappropriated fund employees enrolled in either the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan.

6.5.2. Counsel Potential Flexible Benefits Plan Participants. Describe the Flexible Benefits Plan provisions and answer related questions so employees can make an informed decision about enrolling in the plan. Copy and give **Attachment 2** to the employee and discuss the information as follows:

6.5.2.1. Ensure the employee understands the Internal Revenue Service restrictions for changing or canceling Flexible Benefits Plan and coverage elections under the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan (**Attachment 2**), as well as the Flexible Benefits Plan summary information (**Attachment 3**). Advise the employee that they will be responsible for accuracy of deductions and timely reporting of errors or status changes on the member's Leave and Earnings Statement to the Human Resources Office for prompt resolution.

6.5.2.2. Duration of Flexible Benefits Plan Election. Ensure employees are aware of the duration of their Flexible Benefits Plan election: advise them their Flexible Benefits Plan election remains in effect until they change their payment method (tax election) during an annual Flexible Benefits Plan Open Enrollment Period or within 31 calendar days after a valid change in family status, or they lose eligibility or cancel coverage under the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan. **Note:** Contact the Air Force Services Center Benefits and Insurance Branch for special guidance if for any reason an employee is unable to meet the above 31 calendar day period for changing or canceling Flexible Benefits Plan and coverage elections following a family status change.

6.5.2.3. An employee's ultimate Social Security Award at retirement may be reduced slightly. The reason for this is, Social Security benefits are based on lifetime earnings, which are subject to 26 USC § 3101-3102, *Federal Insurance Contributions Act* taxes and the amount of an employee's earnings is slightly reduced when paying group health/dental contributions with pre-tax earnings.

6.5.2.4. A Flexible Benefits Plan participant may not deduct group health plan contributions on the member's individual income tax return.

6.6. Eligibility for the Flexible Benefits Plan. This chapter establishes the eligibility criteria for participation in the Flexible Benefits Plan. Only active Air Force nonappropriated fund employees enrolled in the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan may enroll in the Flexible Benefits Plan. Air Force Nonappropriated Fund Group Life Plan participants and former employees/retirees enrolled in continuing coverage under the Post-Retirement Medical and Dental Program are not eligible for the Flexible Benefits Plan.

6.7. Electing Group Health/Dental Coverage and Flexible Benefits Plan Benefit Elections. Employees who initially elect group health/dental coverage must record their Flexible Benefits Plan benefit election (pre-tax or after-tax contribution payment method) on the enrollment form or online enrollment site. **(T-3)** Employees who choose not to enroll in the Flexible Benefits Plan, or later disenrollment from the Flexible Benefits Plan, automatically pay contributions with after-tax earnings. File the completed Flexible Benefits Plan election statement in the employee's Official Personnel Folder. The Human Resources Office will process an employee's group health/dental and Flexible Benefits Plan benefit elections using AF Form 2545 in the Defense Civilian Personnel Data System to start payroll deductions; use the applicable plan code provided by the Air Force Services Center Benefits and Insurance Branch.

6.7.1. The Human Resources Office instructs the employee to thoroughly read the Flexible Benefits Plan election statement, including the paragraph outlining the plan restrictions, before electing a payment method and signing the form.

6.7.2. The timing and conditions of an employee's enrollment in the group health/dental plans determine the effective date of the Flexible Benefits Plan election (contribution payment method). For most employees, the pre-tax or after-tax payment method will take effect at the same time their coverage begins under the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan.

6.7.2.1. Flexible Benefits Plan and Group Health/Dental Elections During 31 Calendar Day Eligibility Period. For example, if an employee enrolls in the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan when first eligible (generally within the 31 calendar day period after hire or reclassification to an eligible (regular) status), and they also elect the Flexible Benefits Plan, the Flexible Benefits Plan takes effect on the same date as the employee's coverage under the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan.

6.7.2.2. Flexible Benefits Plan and Group Health/Dental Elections Upon Valid Change in Family Status. If an employee elects or changes coverage under the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan upon a valid change in family status, and they also elect the Flexible Benefits Plan; the Flexible Benefits Plan takes effect on the same date as the employee's change in group health/dental plan enrollment.

6.7.2.3. If an employee previously elected after-tax contributions under the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan, and the person later undergoes a qualified change in family status during the plan year, they may newly elect the Flexible Benefits Plan. If so, the Flexible Benefits Plan takes effect on the same date as the employee's change in group health/dental plan enrollment. For example, if an employee with single Department of Defense Health Benefits Plan coverage marries, the employee may change to family coverage within 31 calendar days of the marriage; at the same time, they may also elect the Flexible Benefits Plan. If so, the Flexible Benefits Plan takes effect on the same date as the employee's change to family coverage under the Department of Defense Health Benefits Plan.

6.7.3. See separate instructions for enrolling an employee in group coverage under the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan within the initial 31 calendar day eligibility period and for notifying the Carrier and Air Force Services Center in this chapter.

6.8. General Information About the Flexible Benefits Plan. If an employee initially elects not to enroll in the Flexible Benefits Plan, or if an employee's request to change to the Flexible Benefits Plan does not coincide with a valid change in family status under the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan, the employee may not enroll in the Flexible Benefits Plan until the annual Flexible Benefits Plan Open Enrollment Period. Flexible Benefits Plan elections made during the annual Flexible Benefits Plan Open Enrollment Period take effect on a date such that pre-tax contributions are deducted from the employee's first paycheck received on or after January 1st of the following year.

6.9. Processing Group Health/Dental Coverage and Flexible Benefits Plan Elections within the Defense Civilian Personnel Data System. After an employee makes the member's benefit elections under the Department of Defense Health Benefits Plan or Stand Alone Dental Plan and the Flexible Benefits Plan, the Human Resources Office will process an AF Form 2545 in the Defense Civilian Personnel Data System to start or change payroll deductions; use the applicable plan code provided by the Air Force Services Center Benefits and Insurance Branch. **(T-3)** The Human Resources Office will file copies of the employee's group health/dental enrollment (or change) form, Flexible Benefits Plan election statement, and personnel action in the Official Personnel Folder.

6.10. Explaining the Restrictions and Duration of an Employee's Flexible Benefits Plan Election. Human Resources Offices will use [Attachment 2](#) of this manual as a main part of their ongoing administration of the Flexible Benefits Plan. **(T-3)** Human Resources Offices will:

6.10.1. Use it to determine whether employees enrolled in the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan may change their elections under the Flexible Benefits Plan and/or group health and dental plans if certain life events occur. **(T-3)**

6.10.2. Use it to counsel employees about the Flexible Benefits Plan restrictions and duration of their elections and provide them with an information copy for their records. **(T-3)** Tell them they may not cancel or change their Flexible Benefits Plan election and Department of Defense Health Benefits Plan or Stand Alone Dental coverage during the plan year unless they have a life-qualifying event (as defined by the Internal Revenue Service), or until they change their Flexible Benefits Plan election to after-tax during the annual Flexible Benefits Plan Open Enrollment Period.

6.10.3. If an employee's request to revoke a Flexible Benefits Plan election and change or cancel group health/dental coverage falls outside the scope of this chapter, contact the Air Force Services Center Benefits and Insurance Branch for assistance.

6.11. Changing or Cancelling Group Health/Dental Coverage and Flexible Benefits Plan Elections. If an employee is allowed to change or cancel the member's participation under the Flexible Benefits Plan, complete the required election statement to record the employee's new contribution payment method (tax election). **Exception:** if an employee cancels group health/dental coverage altogether, by default, this also cancels the employee's Flexible Benefits Plan election. In which case, it is not necessary to complete a Flexible Benefits Plan election statement.

6.11.1. The Human Resources Office will process the employee's group health/dental and Flexible Benefits Plan election change, or cancellation, using AF Form 2545 in the Defense Civilian Personnel Data System so payroll deductions are adjusted accordingly. **(T-3)** Use the applicable plan code provided by the Air Force Services Center Benefits and Insurance Branch. File copies of the employee's personnel action and Flexible Benefits Plan election statement in the Official Personnel Folder. The timing and conditions of the change or cancellation under the group health/dental plans determine the effective date of the Flexible Benefits Plan election change or cancellation.

6.12. Performing Routine Insurance Audits/Reconciling Reports. The Human Resources Office will reconcile the biweekly group insurance enrollment/payroll deduction report generated by the Air Force Services Center to ensure employees' contributions correspond with their

health/dental and pre-tax or after-tax benefit elections. **(T-3)** The payroll report should match the enrollment data in the Defense Civilian Personnel Data System and the employee's Official Personnel Folder. The Human Resources Office will correct errors in the Defense Civilian Personnel Data System or through the Air Force Services Center or Carrier, as required.

6.13. Special Instructions for Leave-Without-Pay, Military Furlough, Portability, Qualified Medical Child Support Orders or Collections/Refunds. For employee cases involving leave-without-pay, military furlough, portability, qualified medical child support orders, or collections/refunds, use the special instructions in this chapter. In accordance with this chapter, the Human Resources Office will notify the Air Force Services Center and the Carrier—as necessary—to enroll, change, or cancel an employee's group health/dental coverage and Flexible Benefits Plan benefit elections. **(T-3)** The timing and conditions of the enrollment, change or cancellation under the group health/dental plans determine the effective date of the Flexible Benefits Plan enrollment, change or cancellation.

Chapter 7

NONAPPROPRIATED FUND WORKERS' COMPENSATION PROCEDURES

7.1. Claims Administration. The Air Force Nonappropriated Fund Workers' Compensation Program is administered at Air Force Services Center. Installation-level activities will develop initial claims by completing Department of Labor Longshore forms. Air Force Services Center Workers' Compensation Branch (AFSVC/VIHW) will develop claims, process benefits, and resolve claims. (T-3)

7.2. Claims Development. Installation-level activities will provide Department of Labor Form LS Form 202, *Employer's First Report of Injury or Occupational Illness* to the Air Force Services Center within 24 hours following the date of an employee's injury. (T-3) All claims development, benefit processing, claims resolution, and reimbursement of expenses will be processed by Air Force Services Center, 2261 Hughes Avenue, Suite 156, Joint Base San Antonio Lackland, TX 78236-9854. (T-3)

7.3. Program Applicability.

7.3.1. This program applies to a nonappropriated fund civilian employee who is:

7.3.1.1. A United States citizen or a permanent resident of the United States or territory or possession of the United States, employed outside the Continental United States, or

7.3.1.2. Employed inside the Continental United States and whose

7.3.1.3. Injury or disease arises out of, and in the course and scope of employment.

7.3.2. Persons not covered are contract workers, volunteers, off-duty military personnel, and those whose injuries or illnesses are caused by intoxication or a willful intent to injure or kill themselves or others.

7.3.3. Employees who are not citizens or permanent residents of the United States, but who are employed outside the United States are provided benefits:

7.3.3.1. Under applicable local law, treaty, custom, or agreement, and

7.3.3.2. Through locally procured commercial insurance or the country's local government.

7.3.3.3. Administration of such coverage is prescribed by arrangements made between the appropriate Major Command and the foreign country's government agency responsible for Workers' Compensation.

7.4. Disability Benefits. The disability benefits due an employee injured in a job-related accident or illness may include:

7.4.1. Temporary Total Disability benefits paid during the time an employee is unable to perform any work due to injury or sickness.

7.4.1.1. The benefit is 66 2/3 percent of the average weekly wages, with minimum and maximum amounts. The benefit is paid every two weeks with the payment due approximately 14 calendar days after the employer is notified of the injury.

7.4.1.2. Air Force Services Center Workers' Compensation Branch annually publishes the new minimum and maximum compensation rates effective each 1 October based on United States Department of Labor announcement.

7.4.1.3. The benefit is not payable for the first three calendar days of disability unless the period of disability exceeds 14 calendar days. In that event, the first three calendar days are paid retroactively.

7.4.1.4. Reference **Attachment 5** for an example of Average Weekly Wages, benefit calculation and timing of payment.

7.4.2. Temporary Partial Disability benefits are paid during a period an employee may do some work following an injury, but the employee's hours are reduced due to temporary limitations resulting from the injury.

7.4.2.1. The benefit is paid at the rate of $66 \frac{2}{3}$ percent of the difference between the employee's Average Weekly Wages at the time of injury and the member's wage earnings after the injury.

7.4.2.2. The benefit is payable during the healing period until the injured worker returns to work earning at least the pre-injury Average Weekly Wages.

7.4.3. Temporary Total Disability and Temporary Partial Disability may be supplemented from available sick leave or annual leave so that the employee's combined income from the disability benefit and the leave payment equals but does not exceed 100 percent of an employee's wage at the time of injury. An employee may initiate this action by completing and submitting an Office of Personnel Management Form 71, *Application for Leave*, to the member's supervisor.

7.4.4. The Air Force Services Center Workers' Compensation Branch will pay permanent disability benefits, either partial or total, and death benefits, on its own direction or on an order from the Department of Labor. **(T-0)**

7.4.5. Reasonable medical, surgical, and other attendance or treatment expenses are payable for the period that the nature of the injury or the process of recovery requires.

7.4.5.1. Supervisors will authorize initial medical treatment to an employee reporting a job-related injury or illness who requests care. **(T-3)**

7.4.5.2. Travel expenses incurred by an employee for medical treatment are reimbursable at the General Services Administration automobile mileage rate. The injured employee must request reimbursement in writing to Air Force Services Center Workers' Compensation Branch. **(T-3)**

7.4.6. An injured employee may only obtain authorized medical care from one of the following:

7.4.6.1. A physician of their choice. **(Note: Chiropractor treatment is not authorized)**

7.4.6.2. Another physician to whom the authorized treating physician refers the employee.

7.4.6.3. Another physician specifically authorized in writing by the Department of Labor or Air Force Services Center Workers' Compensation Branch.

7.5. Supervisors Responsibilities:

7.5.1. Brief employees on accident procedures; provides initial medical care instructions; and provides the injured employee with Department of Labor LS forms. Complete employer Department of Labor LS forms, forwarding them to the Human Resources Office for processing. Provide employment suitable to the employee's physical capacity.

7.5.2. The supervisor will post and maintain the Department of Labor form, LS-242, *Notice to Employees*, in customary employee bulletin board areas. **(T-3)**

7.5.3. On an employee's request for medical care due to an injury, the supervisor will complete items 1 through 13 of the Department of Labor LS-1, *Request for Examination and/or Treatment*. Do not give more than one Department of Labor Form LS-1 to an employee or a medical service provider for any single injury. If the claim is questionable, check item 7b. Refer to **Table 7.1** for guidelines on form submission. **(T-3)**

Table 7.1. Instructions for Submitting Workers' Compensation Forms.

I T E M	A Form Number	B Prepared by	C Given to	D Timeframe
1	LS-1, <i>Request for Examination and/or Treatment</i> (Original and copy)	Supervisor or Manager (Part A only)	Injured employee before initial medical treatment. (Note: Not required in an emergency situation)	At time of injury or as soon as Human Resources Office or employer is informed of injury. (Note: Not required in an emergency situation)
2	AF Form 786, <i>Patient's Authorization for Release of Medical Information</i>	Injured Employee; obtained from supervisor	Human Resources Office, for submission to AFSVC/VIHW	Within 5 calendar days of the accident
3	LS-201, <i>Notice of Employee's Injury or Death</i>	Injured employee or supervisor if employee is unable to complete at time of injury	Human Resources Office, for submission to AFSVC/VIHW along with copies of the Forms LS-1, LS-202 to the installation safety and public health offices	Within 5 calendar days of notification as outlined in DAFMAN 91-224, <i>Ground Safety Investigation and Hazard Reporting</i> , 21 January 2022, Para 1.4.4.

4	Form LS-202, <i>Employer's First Report of Injury or Occupational Illness</i>	Supervisor or manager	Human Resources Office, for submission to AFSVC/VIHW along with copies of the Forms LS-1, LS-201 to the installation safety and public health offices	Within 24 hours following the date of employee's injury
5	AF Form 784, <i>USAF NAF Workers' Compensation Record</i> . Overseas installations only	Human Resources Office	Nonappropriated Fund Accounting Office who completes the form as it makes payment(s)	If disability is involved, submit to the Nonappropriated Fund Accounting Office within 10 calendar days the employer had knowledge of the injury to commence payment; forward the completed document to AFSVC/VIHW
6	Form LS-206, <i>Payment of Compensation Without Award</i>	AFSVC/VIHW	The appropriate Department of Labor district director and injured worker	On the first payment of compensation
7	Form LS-208, <i>Notice of Final Payment or Suspension of Compensation Payments</i>	AFSVC/VIHW	The appropriate Department of Labor district director and injured worker	Within 16 calendar days of the last payment of compensation
8	Form LS-207, <i>Notice of Controversion of Right to Compensation</i>	AFSVC/VIHW	The appropriate Department of Labor district director and injured worker	Within 14 calendar days of injury or knowledge of injury if claim is being denied without payment or 14 calendar days from
9	Form LS-242, <i>Notice to Employees</i>	Human Resources Office	Permanently post this form in all facilities where NAF personnel are employed	Not applicable

10	Form LS-204, <i>Attending Physician's Supplementary Report</i>	Attending physician, on request, for additional medical information	Human Resources Office, for submission to AFSVC/VIHW	As needed to confirm the employee's medical status
11	Form OWCP-5, <i>Work Capacity Evaluation</i>	Treating physician, on request of AFSVC/VIHW	AFSVC/VIHW	Post-injury, if the employee is still disabled
12	Form LS-200, <i>Report of Earnings</i>	AFSVC/VIHW	Employee in receipt of long term disability	As AFSVC/VIHW deems needed; no more than once every 6 months

7.5.4. The supervisor selects the nearest medical treatment facility if the employee cannot make the choice because of the nature of the injury or illness.

7.5.5. In the event the injury or illness is seriously disabling, and in the case of an employee's death, the supervisor contacts Air Force Services Center Workers' Compensation Branch to allow prompt notification of next of kin.

7.5.6. The supervisor will provide the injured employee with:

7.5.6.1. Department of Labor Form LS-201 at an employee's or family member's request. **(T-3)**

7.5.6.2. AF Form 786. The employee completes (hand written), sign, and return the form to the supervisor. **(T-3)**

7.5.6.3. Department of Labor Form LS-204 for each authorized follow-up medical visit. Disability status is verified by the authorized treating physician. **(T-3)**

7.5.7. If the employee declines medical care, they will need to sign and date a declination of medical treatment form. Complete Department of Labor Form LS-202 within 24 hours of notice of an injury.

7.5.8. Arrange for light-duty work consistent with the treating physician's release to duty.

7.5.8.1. Do not deny an employee placement for light duty except for the most compelling reasons which would constitute an undue hardship.

7.5.8.2. In the event that the employee cannot be placed on light duty, the Force Support commander or alternate must provide a reason, in writing to Air Force Services Center Workers' Compensation Branch, why light duty or limited duty cannot be accommodated. **(T-3)**

7.5.9. Promptly submit all forms received from the employee and those the supervisor fills out to the Human Resources Office. Inform that office of any change in the employee's status and

use the Human Resources Officer to maintain close contact with an employee who is losing time from work.

7.6. Human Resources Office Responsibilities:

7.6.1. Upon receipt of notification of an injury, the Human Resources Office inputs all required information into the Workers' Compensation Claims Management System and immediately scan and email all documentation to the appropriate claims examiner, to include Department of Labor Forms LS-201, LS-202, LS-1, AF Form 786, future LS-204 and other medical documentation. Original forms are mailed to the Air Force Services Center Worker's Compensation Branch office. Other documentation may be required to include timecards, position description, and bills received. Upon submitting the new claim, the Workers' Compensation Claims Management System will assign a new claim number.

7.6.2. Help the supervisor keep in touch with the employee through periodic phone calls.

7.6.3. Coordinate activity on lost-time cases with the assigned Air Force Services Center Workers' Compensation Branch claims examiner.

7.6.4. At overseas installations in which the local Nonappropriated Fund Accounting Office continues to make payments, provide Air Force Services Center Workers' Compensation Branch, at six-week intervals, a summary of the claim's status, including medical reports, itemized medical bills, and documentation of payments from the Nonappropriated Fund Accounting Office, and AF Form 784.

7.6.5. Contact the assigned Air Force Services Center Workers' Compensation Branch claims examiner via myFSS, email or phone in any of the following situations:

7.6.5.1. On any non-controverted file in which Temporary Total Disability benefits are not being paid to an employee who makes a claim and is not working.

7.6.5.2. On forwarding a file for Air Force Services Center Workers' Compensation Branch's further adjudication because an employee continues to lose time from work or begins to lose time.

7.6.5.3. On receiving information an employee in receipt of benefits from Air Force Services Center Workers' Compensation Branch has returned to work.

7.6.5.4. On the death of a nonappropriated fund employee when the cause of death is reported as due to injury or sickness on the job, or on the death of an employee receiving Workers' Compensation.

7.6.6. Obtain a statement of physical activity from the employee's supervisor which will accommodate reemployment on limited duty.

7.6.7. Review a supervisor's decision declining to offer light duty when an employee is released by a treating physician to limited duty. Analyze the job to determine if changing some job duties facilitates return to employment status. If accommodation in the activity in which the employee was injured cannot be made, review the employee's qualifications for other work in the Force Support Squadron.

7.6.8. Implement rehire procedures to identify relevant physical ability and working condition information.

7.6.8.1. Along with other job application forms, have applicant complete an AF Form 243, *Statement of Physical Ability - NAF*.

7.6.8.2. Refer the following to the installation medical treatment facility or a contract medical practitioner for physical examination prior to appointment action.

7.6.8.2.1. Selectees for positions which require frequent lifting, and/or carrying of objects weighing 40 or more pounds (see **Attachment 4**, *United States Department of Labor, Division of Longshore and Harbor Workers' Compensation District Offices*).

7.6.8.2.1.1. Refer to **Attachment 6**, *Physical Ability Ratings*, for rating physical work demands.

7.6.8.2.2. Selectee who provides affirmative responses to AF Form 243, Section A, items 7 through 11.

7.6.8.2.3. Provide the AF Form 243, which was completed by the candidate, and Standard Form (SF)-78, *Certificate of Medical Examination*, with Part B completed by the appointing officer, to the examining physician and ask the medical reviewer to complete, based on medical examination, the SF-78.

7.6.9. In the event disaster occurs, resulting in cataclysmic loss to employees while in the course of employment so as to prevent normal procedure, a representative of the Human Resources Office provides the Air Force Services Center Workers' Compensation Branch by telephone, followed by e-mail or fax with information to identify injured employees, treating medical personnel, and the present location of the injured employees.

7.6.9.1. The Air Force Services Center Workers' Compensation Branch arranges for contract medical management specialists to locate the injured employees and treating physicians to obtain required information to commence compensation/medical benefits.

7.6.9.2. Copies of actions taken by the Air Force Services Center Workers' Compensation Branch during this time are submitted to the installation Human Resources Office.

7.7. Nonappropriated Fund Accounting Office Responsibilities:

7.7.1. United States Air Forces in Europe (USAFE) and United States Pacific Air Forces (PACAF) installations submits a copy of the AF Form 784, proof of payment of benefits, and medical bills to the Air Force Services Center Workers' Compensation Branch.

7.7.2. Claimant is not entitled to reimbursement for loss of leave which was used in the attendance of a medical appointment.

7.8. Air Force Services Center Workers' Compensation Branch Responsibilities: Manages this program and furnishes technical guidance and assistance as required. The section:

7.8.1. Develops program and claims administration procedures.

7.8.2. Assists and directs supervisors and Human Resources Offices, in Workers' Compensation issues.

7.8.3. Reimburses for claims paid by the administration consistent with this manual and notifies Nonappropriated Fund Instrumentalities of interest charges due an employee because of non-timely payment of benefits overseas.

7.8.4. Requests Air Force Services Center legal office represent the involved Nonappropriated Fund Instrumentalities as needed.

7.8.5. Challenges compensation, medical, or both expenses by filing Department of Labor Form LS-207 in appropriate cases.

7.8.6. Communicates with the Department of Labor. Provides all required Department of Labor LongShore forms to the Department of Labor as required for lost time claims or controversies.

7.8.7. Provides Air Force Services Center legal office with notices of cases referred to the Office of Administrative Law Judges.

7.8.8. Pay settlements of controverted cases per direction of Air Force Services Law Division.

7.8.9. Adjudicates all claims submitted through the Workers' Compensation Claims Management System, pays all bills that are related to the injury and assigns nurse case management assistance as deemed necessary.

7.8.10. Recommends premium rates through Air Force Services Center Director, Installation Support, to charge to Nonappropriated Fund Instrumentalities to cover the cost of program operations for inclusion in the Central Air Force Insurance Fund Budget.

7.9. Air Force Services Law Division (AFIMSC/JA) Responsibilities.

7.9.1. Provides legal research and support to the Air Force Services Center on Workers' Compensation matters.

7.9.2. Advises Major Command and installation legal offices on general Workers' Compensation matters and on specific claims.

7.9.3. Represents the Air Force Insurance Fund (AFIF) at all formal hearings the United States Department of Labor conducts, and performs related services, including filing appeals.

7.9.4. Negotiates and settles contested cases, as needed.

7.10. Force Support Commander or Director Responsibilities. The Force Support commander or director administers the installation workers' compensation program and nonappropriated fund employee safety. In that capacity, the Force Support commander or director:

7.10.1. Designates Human Resources Office personnel to implement the program.

7.10.2. Ensures orientation and training of Human Resources Office personnel, and supervisors of nonappropriated employees.

7.10.3. Provides written documentation when an employee cannot be accommodated for light or restricted duty following an on-the-job injury.

Chapter 8

NONAPPROPRIATED FUND UNEMPLOYMENT COMPENSATION PROGRAM

8.1. Air Force Services Center Program Responsibilities. The following responsibilities are designated to comply with the Department of Labor Unemployment Compensation Program for former and current nonappropriated fund employees paid on the United States dollar payroll.

8.1.1. Air Force Services Center Benefits and Insurance Branch is responsible for overall administration of the Unemployment Compensation Program for nonappropriated fund employees program to include:

8.1.1.1. Policy oversight of Unemployment Compensation Program for Nonappropriated Fund Employees Program.

8.1.1.2. Revision and review of Unemployment Compensation Program for Nonappropriated Fund Employees Program.

8.1.1.3. Fiduciary responsibilities and execution of budgetary authority for program and program resources.

8.1.1.4. Establishing installation Nonappropriated Fund Instrumentalities premium assessment rate required to recover unemployment compensation expenses.

8.1.1.5. Reviewing monthly managerial reports received from Air Force Centralized Unemployment Compensation Office to identify operational trends and risks.

8.2. Air Force Centralized Unemployment Compensation Office Program Responsibilities. The Air Force Centralized Unemployment Compensation Office centrally manages and directs the Unemployment Compensation and Appeals Program for all Air Force appropriated and nonappropriated fund federal civilian employees as well as former service members.

8.2.1. The Air Force Centralized Unemployment Compensation Office is responsible for day-to-day operation of the unemployment compensation program, including:

8.2.1.1. Quarterly auditing of unemployment compensation and state billings to pay the Department of Labor bill and resolve errors. Payments are made using the appropriate nonappropriated funds, nonappropriated fund process and system application designated by Air Force Services Center.

8.2.1.2. Providing expertise in all matters relating to unemployment compensation benefits, state determinations, and appeal actions. Provides management advisory services to the installations.

8.2.1.3. Formulating managerial statistics and information in the form of quarterly reports to the Air Force Services Center Benefits and Insurance Branch to assist in management of the Unemployment Compensation Nonappropriated Fund Employee Program.

8.2.1.4. Assisting the Human Resources Office to identify problems with State Employment Security Agencies decisions.

8.2.2. Upon announcement of installation closures, Air Force Centralized Unemployment Compensation Office coordinates with the Air Force Services Center Installation Support to

obtain the new Air Force mailing address where wage and separation information of former employees can be obtained. Send inquiries to afpc.unemployment@us.af.mil.

8.2.3. The Air Force Centralized Unemployment Compensation Office ensures proper administration at installation-level on components of the program and communicate with their local State Employment Security Agencies and Human Resources Office as necessary to efficiently operate the program.

8.2.4. Inputs all Employment Security (ES) 931, *Request for Wage and Separation Information* and ES 931A, *Request for Separation Information for Additional Unemployment Compensation for Federal Employees (UCFE) Claim* forms received into the Defense Injury Unemployment Compensation System (DIUCS) and myFSS.

8.2.5. Completes state's request for wage and separation information and returns to state within time frame requested by the state.

8.2.6. Works with base Human Resources Office and/or former supervisor to gather supporting documentation as required.

8.2.7. Conducts fact-finding interviews in collaboration with state adjudicators.

8.2.8. Reviews state "Notice of Determinations" and initiates an agency appeal if warranted.

8.2.9. Works within the framework of the state's instructions for submitting evidence.

8.2.10. Prepares appeal and serves as agency representative during appeal hearings.

8.2.10.1. Determines if witnesses are needed and notifies witnesses regarding date, time and call-in number for hearing participation procedures.

8.2.10.2. Prepares cross-examination in advance of hearing. Reference the reason for employee separation and any state law regarding benefits for that type of separation. Follows-up with State Employment Security Agencies for questionable separation actions, as described below:

8.2.10.3. State laws define questionable separations as:

8.2.10.3.1. Involuntary separation for cause.

8.2.10.3.2. Voluntary resignation without good cause.

8.2.10.3.3. Refusal to accept a suitable job offer.

8.2.10.4. Sends witnesses any cross-examination questions with sufficient time to respond before the hearing.

8.2.10.5. Ensures all witnesses know what to expect and are prepared for the hearing.

8.2.11. Affords customer support by responding to inquiries received through the Air Force Personnel Center's 24/7 customer service center.

8.2.12. Completes wage audits as requested by the state to ensure correct monetary determinations.

8.2.13. Maintains and closes unemployment compensation case files for all claims.

8.2.14. Plans and prepares the quarterly benefits report.

8.2.15. Receives quarterly reports from each state showing unemployment charges and credits for each claimant at the end of each quarter.

8.2.16. Reviews quarterly reports to identify former employees and amount of unemployment compensation costs paid during the fiscal quarter, but actually incurred in previous quarters.

8.2.17. Utilizes quarterly reports to determine why claimant separated and where they last worked.

8.2.18. Audits quarterly unemployment compensation reports and state billing to pay the Department of Labor bill and resolve errors.

8.2.19. Receives and audits invoice from Department of Labor every 45-60 calendar days for the amount the states have paid Air Force nonappropriated fund claimants.

8.2.20. Receives Department of Labor billing quarterly: 15 May (Jan-Mar), 15 August (Apr-Jun), 15 November (Jul-Sep), and 15 February (Oct-Dec).

8.2.21. Prepares bill for payment approval and processing by the appropriate Air Force Services Center office, Air Force Personnel Center Unemployment Compensation Office actually pays the bill.

8.3. Human Resources Office Responsibilities. The installation's Human Resources Office is an integral part of this program. The Human Resources Office ensures managers, supervisors, and employees know the Unemployment Compensation Program for Nonappropriated Fund Employees program requirements and responsibilities to include the following:

8.3.1. Provides each newly hired and rehired employee the following written statement: "If you have applied for or have been receiving unemployment compensation benefit payments, it is your responsibility under penalty of law to promptly notify the appropriate local State Employment Security Agency, in writing, to discontinue issuance of unemployment compensation benefits now that you are employed. Failure to notify the state agency can result in a penalty such as a fine, imprisonment, or both."

8.3.1.1. File the employee signed and dated Statement, in the employee's Official Personnel Folder.

8.3.1.2. Destroys the statement upon employment termination.

8.3.2. Installation Human Resources Offices complete and provide to all nonappropriated fund employees who are separated for any reason, or who are placed in a non-pay status of seven or more consecutive calendar days, Standard Form (SF)-8, *Notice to Federal Employee About Unemployment Insurance*, on or before their last duty day.

8.3.2.1. Human Resources Office's pre-populate the form SF-8 with the following information:

8.3.2.1.1. The name "NAF" followed by the complete organizational address of the Human Resources Office where the employee's records are maintained.

8.3.2.1.2. The 3-digit identification (ID) number, "ID number 427"

8.3.2.1.3. Address the SF-8 to "Department of the Air Force, AFPC/DP1TC-UCNE (427), 550 C St West, JBSA-Randolph, TX 78150-4759"

8.3.2.2. Separated employees apply at State Employment Security Agency offices with the completed SF-8; their social security card; and AF Form 2545, *NAFI Notification of Personnel Action*. Many states request that claimants apply online and each claimant should verify with their individual state if his service is provided. See [Attachment 7](#), **Sample Separation or Non Pay Status Statements**.

8.3.3. Employees may appeal or grieve separation actions in accordance with Nonappropriated Fund Personnel Program Management and Administration Procedures Guide.

8.3.4. If a former employee refuses suitable employment, the Human Resources Office determines whether the individual has an active unemployment compensation claim. If affirmative, the Human Resources Office notifies Air Force Personnel Center Unemployment Compensation Office indicating:

8.3.4.1. Date of job offer.

8.3.4.2. Nature of job offer.

8.3.4.3. Location of job.

8.3.4.4. Grade and salary of job offered.

8.3.4.5. Reason for refusal, if known.

8.4. Request for Wage and Separation Information. The Air Force Personnel Center Unemployment Compensation Office, in conjunction with the servicing NAF Accounting Office completes the Employment Security (ES) 931. For Air Force level nonappropriated fund employees, requests for data should come to the Air Force Nonappropriated Fund Central Fund Accounting Office.

8.4.1. The Air Force Personnel Center Unemployment Compensation Office completes basic information about employee:

8.4.1.1. Uses the Defense Injury/Unemployment Compensation System to enter wage information as shown on the ES 931 for the base period requested. Enter zero under gross wages if no wages were paid during reportable quarters.

8.4.1.2. Enters name, social security number, reason for termination/separation, and activity code.

8.4.2. The servicing Nonappropriated Fund Accounting Office provides certain required wages, as explained below.

8.4.2.1. The Nonappropriated Fund Accounting Office provides necessary information on lump-sum terminal leave/severance pay.

8.4.2.2. When required, the Nonappropriated Fund Accounting Office enters detailed severance pay information on ES 931.

8.4.3. The Air Force Personnel Center Unemployment Compensation Office returns the completed ES 931 to the State Employment Security Agency within 4 workdays after it arrives on the installation.

8.4.4. The effect of back-pay awards on unemployment compensation benefit amounts differ depending on state law.

8.4.4.1. Some states require their State Employment Security Agency to collect overpayments resulting from back-pay awards.

8.4.4.2. Some states require the employer to recover overpayments.

8.4.4.3. A few states do not consider back-pay awards to cause an overpayment.

8.4.5. There are special situations for back-pay and overpayments as follows:

8.4.5.1. If a separated employee applies for unemployment compensation benefits and is also entitled to back-pay, the Air Force Personnel Center Unemployment Compensation Office contacts the State Employment Security Agency to obtain a revised unemployment compensation benefit calculation.

8.4.5.2. When the State Employment Security Agency or the employer identifies an overpayment, the Air Force Personnel Center Unemployment Compensation Office assists the State Employment Security Agency by providing the following information: Employee name and social security number and time period of the overpayment.

8.5. Handling Appeals. All State Employment Security Agency's provide unemployment compensation appeal rights. The claimant or the separating activity may initiate an appeal. The procedures for appeal actions are discussed below:

8.5.1. The applicable activity manager is responsible for appealing State Employment Security Agency determinations. Air Force Personnel Center Unemployment Compensation Office provides technical and administrative assistance as needed. State Employment Security Agency's should send all determinations and hearing notices to the Air Force Personnel Center Unemployment Compensation Office address listed on the SF-8.

8.5.2. When an unfavorable State Employment Security Agency determination is received, the Air Force Personnel Center Unemployment Compensation Office ensures the following is completed:

8.5.2.1. Contacts the nonappropriated fund activity manager to determine if an appeal is warranted.

8.5.2.2. Contacts the servicing Staff Judge Advocate for assistance, when necessary and has a limited number of calendar days to file an appeal (varies by state).

8.5.3. Hearings outside the local area are normally conducted by telephone. The Air Force Personnel Center Unemployment Compensation Office must contact the State Employment Security Agency for supporting documents including witness affidavits in lieu of personal appearance. **(T-3)**

8.5.4. In-person hearings are usually conducted within commuting distance from the installation.

8.5.5. The following officials will participate in appeal hearings, as required by the Air Force Personnel Center Unemployment Compensation Office:

8.5.5.1. Activity manager or supervisor. **(T-3)**

8.5.5.2. Unemployment Compensation program for Nonappropriated Fund Employees Representative. **(T-3)**

8.5.5.3. Staff Judge Advocate Representative. (T-3)

8.5.5.4. Any witnesses having first-hand knowledge of circumstances surrounding the separation. (T-3)

8.5.6. State Employment Security Agency's normally send appeal decisions to the Air Force Personnel Center Unemployment Compensation Office within 30 calendar days after the appeal hearing date. If appeal decision is not received within 30 calendar days, Air Force Personnel Center Unemployment Compensation Office initiates follow-up action with the appropriate State Employment Security Agency.

8.6. Cost, Assessment, and Payment. All Nonappropriated Fund Instrumentalities pay an assessment to the Air Force Insurance Fund to cover the cost of unemployment compensation benefits paid to former and current employees.

8.6.1. The Air Force Personnel Center Unemployment Compensation Office authorizes/initiates payment of quarterly Department of Labor bill. The Air Force Services Center Workers' Compensation Branch establishes the Nonappropriated Fund Instrumentalities assessment rate required to offset costs.

8.6.2. Installation commanders, Force Support squadron leadership, nonappropriated fund activity managers and all supervisors must work together to eliminate improper unemployment compensation benefit payments. (T-3) Providing timely, accurate, and complete wage and separation information to State Employment Security Agency helps prevent incorrect eligibility decisions and improper payment of benefits.

8.6.3. The Air Force Personnel Center Unemployment Compensation Office and the Air Force Services Center review claims paid verses assessment received to ensure the unemployment compensation assessment rate is sufficient to cover claims paid. Changes to the rate, if needed, should be at a minimum on an annual basis.

8.7. Department of Labor Forms. Each State Employment Security Agency will provide forms and other required documents to administer the unemployment compensation program, including ES 931 and Addendum ES 931A. (T-0)

8.8. Unemployment Compensation Program for Nonappropriated Fund Employees Program Information. The Air Force Personnel Center Unemployment Compensation Office may contact the State Employment Security Agency for assistance in completing and returning Unemployment Compensation for Federal Employees forms. State Employment Security Agency representatives may be invited for on-site visits to assist in ensuring Air Force Personnel Center Unemployment Compensation Office, the Human Resources Office and nonappropriated fund activity managers comply with unemployment compensation for federal employees.

8.9. Contingency Actions. The Human Resources Office will counsel affected nonappropriated fund employees about applying for unemployment compensation benefits when they are displaced from work by reason of natural disaster, national emergency, armed conflict, or war. (T-3)

8.10. Joint Basing Installations. The supporting component will contact the supported component for wages previously earned. (T-3) The supporting component will record the employee's wages on ES 931. (T-3) The supported component must provide the wages to the supporting component to meet the required 4 calendar day turnaround. (T-3)

Chapter 9

NONAPPROPRIATED FUND EMPLOYEES' 401(K) SAVINGS PLAN

9.1. Overview.

9.1.1. To properly administer the Air Force Nonappropriated Fund Employees' 401(k) Savings Plan refer to and follow the instructions contained in the 401(k) Savings Plan Administration Manual when using the guidance in this chapter. Use the two documents together to properly administer the Air Force Nonappropriated Fund Employees' 401(k) Savings Plan.

9.1.2. Address all questions regarding individual account information, as well as all requests for forms and supplies, to the record keeper at the address and telephone number listed in the 401(k) Savings Plan Administration Manual.

9.1.3. Direct all comments regarding the management and administration of the Nonappropriated Fund Employees' 401(k) Savings Plan as well as requests for Summary Plan Descriptions, to the Air Force Services Center Benefits and Insurance Branch.

9.1.4. The Human Resources Office maintains a stock of administrative supplies, such as the forms described in the 401(k) Savings Plan Administration Manual and Summary Plan Descriptions.

9.1.5. Roles and Responsibilities.

9.1.5.1. The Air Force Services Center Benefits and Insurance Branch provides general oversight and management of the Air Force Nonappropriated Fund Employees' 401(k) Savings Plan and publishes instructional and publicity materials.

9.1.5.2. The Air Force Services Center Shared Service Center processes the collection of employee and employer contributions associated with Air Force Nonappropriated Fund Employees' 401(k) Savings Plan participation as instructed in Department of Defense 7000.14-R Volume 13, *Department of Defense Financial Management Regulations*, and this chapter.

9.1.5.3. The Human Resources Office performs installation level administration as instructed in the 401(k) Savings Plan Administration Manual provided by the record keeper and this chapter.

9.1.5.4. Human Resources Office Responsibilities:

9.1.5.4.1. Counsel employees about the Air Force Nonappropriated Fund Employees' 401(k) Savings Plan and its provisions in order to make an informed decision regarding employee participation.

9.1.5.4.2. Advises newly hired regular part-time/full-time or current employees converted from flexible to regular part-time/full-time status of the Plan's benefits during in-processing or at the time of conversion.

9.1.5.4.3. Explains the Air Force Nonappropriated Fund Employees' 401(k) Savings Plan benefits outlined in the Summary Plan Description.

- 9.1.5.4.4. Informs former nonappropriated fund employees with 30 calendar days of regular part-time/full-time service, and if rehired in a regular part-time/full-time employment category they will be automatically enrolled in the Air Force Nonappropriated Fund Employees' 401(k) Savings Plan if they do not waive participation.
- 9.1.5.4.5. Notifies former participants who are rehired within 5 years they are eligible to reinstate any forfeitures of employer matching contributions by returning any distributions they received. If a rehired employee wishes to restore the member's forfeitures, they complete the Restoration of Forfeitures Form.
- 9.1.5.4.6. Suspends and reinstates payroll deductions due to hardship withdrawals.
- 9.1.5.4.7. Notifies Air Force Services Center Benefits and Insurance Branch if an eligible employee was not given the opportunity to make an election and/or payroll deduction was not processed timely. Failure to execute an employee's election and/or enrolling the employee in the Air Force NAF Employees' 401(k) Savings Plan may result in a qualified non elective contribution.
- 9.1.5.4.8. Forwards certified Qualified Domestic Relations Order to Air Force Services Center Benefits and Insurance Branch for processing.
- 9.1.5.4.9. Performs routine audits on eligible employees to ensure enrollments, payroll deductions, contribution elections/changes, forms, etc., are processed timely and maintained in the Official Personnel Folder.
- 9.1.5.5. Payroll Office Responsibilities:
- 9.1.5.5.1. Process Enrollments. The information from the Defense Civilian Personnel Data System flows to the payroll system and interfaces into Air Force Services Financial Management System.
- 9.1.5.5.2. Process Changes. Use the Contribution and Investment Change Form provided by the Human Resources Office to make changes to employees' deduction amounts. Such changes may include an employee changing the member's contribution amount to zero. Changes flow from the Defense Civilian Personnel Data System to the payroll system and interfaces into the Air Force Services Financial Management System.
- 9.1.5.5.3. Process Terminations. There is no need to process any special form when an employee terminates or goes on leave without pay. An employee's contributions will continue as long as they are receiving any pay, excluding severance pay.
- 9.1.5.5.4. Process Refunds or Deductions to Correct Errors.
- 9.1.5.5.5. If the correction (refund or deduction) is for two pay periods or less, correct the error through the payroll system according to Department of Defense 7000.14-R, Volume 13.
- 9.1.5.5.6. If the correction is for more than two pay periods, notify Air Force Services Center Benefits and Insurance Branch immediately and provide an explanation of the problem and identification of the pay periods involved.

9.2. Determining Eligibility.

9.2.1. To be eligible, an employee must be a regular part-time/full-time Air Force nonappropriated fund employee (not an off-duty military employee) and have at least 30 calendar days of regular part-time/full-time Air Force nonappropriated fund service and must be a United States citizen, United States National, or permanent resident alien of the United States. Employees who have prior service with another Department of Defense employer, or as an appropriated fund employee, contact Air Force Services Center Benefits and Insurance Branch for eligibility guidance.

9.2.2. Enrolling New Participants in the 401(k) Savings Plan.

9.2.2.1. Eligible employees complete the Enrollment Form, Beneficiary Designation Form and indicate their contribution percentage and investment election. Non-participants must indicate their waiver of participation. **(T-3)**

9.2.2.2. Employees who do not decline participation in the plan after 30 calendar days of regular service will be automatically enrolled in the Plan with a 1% employee contribution. Auto-enrolled participants may change or suspend their enrollment by submitting a Contribution Change Form to Human Resources Office.

9.2.2.3. Distribute a copy of the Enrollment Form and Beneficiary Designation Form to the employee, employee's Official Personnel Folder and if enrolling, record keeper and Air Force Services Center Benefits and Insurance Branch.

9.2.2.4. Give participating employees a copy of the summary plan description.

9.2.2.5. Process 401(k) election form in the Defense Civilian Personnel Data System if employee chooses to enroll. This form must be dated before the pay period starts to be effective for the following pay period provided the 30 calendar day eligibility has been met.

9.2.3. Documenting Waivers of Enrollment. Employees who do not wish to enroll must complete an Enrollment Form indicating such within the first 30 calendar days of employment. **(T-3)**. Maintain a copy of the Enrollment Form in the employee's Official Personnel Folder and distribute a copy to the employee. The Human Resources Office will remind employees they can enroll at any later date as long as they remain in an eligible category.

9.2.4. Processing Forms after Initial Enrollment. Once an employee has enrolled in the Air Force NAF Employees' 401(k) Savings Plan, they may make changes in the member's contribution amount, beneficiary, etc. Instructions for making changes are in the 401(k) Savings Plan Administration Manual. Process contribution changes in the Defense Civilian Personnel Data System. This form must be dated before the pay period starts to be effective for the following pay period provided the 30 calendar day eligibility has been met.

ALEX WAGNER, SES
Assistant Secretary
(Manpower and Reserve Affairs)

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

EO 9397, *Numbering System for Federal Accounts Relating to Individual Persons*

PL 99-272, *The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)*

PL 103-3, *Family and Medical Leave Act of 1993*

PL 104-191, *Health Insurance Portability and Accountability Act of 1996*

5 USC, Chapter 1, Subpart A- *General Provisions*, § 353.101 and 102 and Subpart B-*Uniformed Service*, § 353.203, *Length of Service*.

5 USC §§ 8171-8173, *Nonappropriated Fund Instrumentalities*

10 USC § 101(a)(13), *Armed Forces Definitions*

10 USC § 2491, *Uniform funding and management of morale, welfare, and recreation programs*

10 USC § 9013, *Secretary of the Air Force*

20 CFR, Part 1002.210, *The Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994*

26 CFR, Part 1.125-4 (f)(5), *Permitted Election Changes*

26 USC Subtitle C, Chapter 21, *The Federal Insurance Contributions Act*

26 USC § 125, *Internal Revenue Code*

26 USC 3101-3102, *Federal Insurance Contributions Act*

29 USC § 609, *National Medical Support Notice*

33 USC § 901, *Longshore and Harbor Workers' Compensation Act*

OPM/GOVT, *General Personnel Records*

F034 AF SVAB, *Non-Appropriated Fund Civilian Personnel Records-Manpower*

DoD 7000.14-R, Volume 13, *Department of Defense Financial Management Regulations*, February 2023

DoDI 1400.25, Volume 1408, *DoD Civilian Personnel Management System: Insurance and Annuities for Nonappropriated Fund (NAF) Employees*, 28 August 2020

DAFMAN 90-161, *Publishing Processes and Procedures*, 15 April 2022

DAFMAN 91-224, *Ground Safety Investigation and Hazard Reporting*, 21 January 2022

AFPD 34-3, *Nonappropriated Funds Personnel Management and Administration*, 27 July 2022

AFI 33-322, *Records Management and Information Governance Program*, 23 March 2020

AFI 33-324, *The Air Force Information Collections and Reports Management Program*, 22 July 2019

AFI 34-301, *Nonappropriated Funds Personnel Management and Administration*, 1 July 2019

AFMAN 34-202, *Procedures for Protecting Nonappropriated Funds Assets*, 25 June 2019
Dictionary of Occupational Titles, Volume II, 4th edition, Department of Labor, 1991

Prescribed Forms

AF Form 2388, *Participation Information (Air Force Nonappropriated Fund Retirement Plan)*
AF Form 2391, *Termination Information (Air Force Nonappropriated Fund Retirement Plan)*
AF Form 2395, *Evidence of Age (USAF Nonappropriated Fund Retirement Plan)*

Adopted Forms

AF Form 243, *Statement of Physical Ability-NAF*
AF Form 784, *USAF NAF Workers' Compensation Record*
AF Form 786, *Patient's Authorization for Release of Medical Information (USAF NAF Workers' Compensation Program)*
AF Form 2545, *NAFI Notification of Personnel Action*
AF Form 3558, *Election Statement–Election of Method of Payment for Group Health Insurance*
DAF Form 847, *Recommendation for Change of Publication*
DOL Form LS-1, *Request for Examination and/or Treatment*
DOL Form LS-200, *Report of Earnings*
DOL Form LS-201, *Notice of Employee's Injury or Death*
DOL Form LS-202, *Employer's First Report of Injury or Occupational Illness*
DOL Form LS-204, *Attending Physician's Supplementary Report*
DOL Form LS-206, *Payment of Compensation Without Award*
DOL Form LS-207, *Notice of Controversion or Right to Compensation*
DOL Form LS-208, *Notice of Final Payment or Suspension of Compensation Payments*
DOL Form LS-210, *Employer's Supplementary Report of Accident or Occupational Illness*
DOL Form LS-242, *Notice to Employees*
DOL Form OWCP-5, *Work Capacity Evaluation*
ES 931, *Request for Wage and Separation Information-UCFE*
ES 931A, *Request for Separation Information For Additional Claim- UCFE*
GIP-SAD-FBP, *Election Statement-Election of Method of Payment for Stand Alone Dental*
OPM 71, *Application for Leave*
SF 1199A, *Direct Deposit*
SF-8, *Notice To Federal Employee About Unemployment Insurance*
SF 78, *Certificate of Medical Examination*

Abbreviations and Acronyms

AFI—Air Force Instruction

AFIF—Air Force Insurance Fund

AFMAN—Air Force Manual

AFPD—Air Force Policy Directive

BRAC—Base Realignment and Closure

BYE—Basic Yearly Earnings

CFR—Code of Federal Regulations

CMIP—Cash Manage

COBRA—Consolidated Omnibus Budget Reconciliation Act

DIUCS—Defense Injury/Unemployment Compensation System

DLHWC—Longshore and Harbor Workers' Compensation

DoD—Department of Defense

DoDI—Department of Defense Instruction

DOL—Department of Labor

ERISA—Employee Retirement Income Security Act

ES—Employment Security

FEGLI—Federal Employees Group Life Insurance

FICA—Federal Insurance Contributions Act

JBSA—Joint Baser San Antonio

LS—Longshore

LWOP—Leave Without Pay

MAJCOM—Major Command

NAF—Nonappropriated Fund

NFI—NAF Payband I

NFII—NAF Payband II

OPM—Office of Personnel Management

OPR—Office of Primary Responsibility

OWCP—Office of Workers' Compensation Program

PACAF—United States Pacific Air Forces

SF—Standard Form

UCFE—Unemployment Compensation For Federal Employees

USAF—United States Air Force

USAFE—United States Air Force in Europe

USC—United States Code

USERRA—Uniformed Services Employment and Reemployment Rights Act

USSF—United States Space Force

Office Symbols

AF/A1—Deputy Chief of Staff for Manpower, Personnel and Services

AF/A1C—Director, Civilian Force Management Directorate

AF/A1CP—Compensation and Workforce Management Division

AF/RE—Chief, Air Force Reserve

AFIMSC/JA—Air Force Services Law Division

AFSVC/VIHW—Air Force Services Center Workers' Compensation Branch

NGB/CF—Director of the Air National Guard

OWCP/DLHWC—Department of Labor, Division of Longshore and Harbor Workers' Compensation

SAF/MR—Secretary of the Air Force, Manpower and Reserve Affairs

Terms

401(k) Savings Plan—a provision of the IRC that allows contributions to retirement savings plans to be treated in a tax-favored status.

Annuity—a fixed sum of money paid on a periodic basis, (e.g., monthly) typically for the rest of an individual's life. Often used synonymously with "pension".

Annuitant—a person who receives an annuity.

Indemnity—a non-managed benefit paid by an insurer for a loss insured under a policy.

LWOP—a temporary non-pay status and absence from duty that in most cases is granted at the employee's request.

Military Furlough—an employee who is inducted or recalled to active duty in one of the Armed Forces in accordance with 5 USC, Chapter 1, Subpart A-*General Provisions*, § 353.101 and 102 and Subpart B-*Uniformed Service*, § 353.203, *Length of Service*

Pension—in broad terms, a plan maintained by an employer to provide regular retirement payments to employees.

Portability—refers to the ability to retain certain benefits when an employee moves between NAF and APF civil service positions or between NAF to NAF positions.

Spouse—a same-sex or opposite-sex partner in any legally recognized marriage, regardless of the employee's state of residency.

Status of Forces Agreement—defined in the DoD Dictionary of Military and Associated Terms.

Attachment 2

QUALIFYING EVENTS FOR CHANGING A FLEXIBLE BENEFITS PLAN ELECTION

A2.1. General. The Flexible Benefits Plan permits an employee who is covered by the Department of Defense Health Benefits Plan or Stand Alone Dental Plan to pay group health/dental premiums for such coverage with either pre-tax dollars or after-tax dollars.

A2.2. Duration of a Flexible Benefits Plan Election. A Flexible Benefits Plan election shall remain in effect until the employee changes such election under the circumstances permitted by [paragraph A2.3](#) below.

A2.3. Changing a Flexible Benefits Plan Election. An employee may change the member's Flexible Benefits Plan election only under the following circumstances.

A2.3.1. During a Flexible Benefits Plan Open Enrollment Period Coinciding with a Department of Defense Health Benefits Plan Open Enrollment Period, an employee may revoke a Flexible Benefits Plan election and make a new election.

A2.3.2. During a plan year, an employee may, under the circumstances described in subparagraphs [A2.3.2.1](#) through [A2.3.2.6](#) below, change the member's coverage under the Department of Defense Health Benefits Plan for the remainder of the plan year and make a corresponding change in the member's Flexible Benefits Plan election. These rules are prescribed by Internal Revenue Service regulations, Title 26 Code of Federal Regulations, Part 1.125-4 (f)(5), *Permitted Election Changes*.

A2.3.2.1. Special Enrollment Rights. An employee may revoke the member's Flexible Benefits Plan election during a plan year and make a new election for the remainder of the plan year if they or their dependent is entitled to enroll in the Department of Defense Health Benefits Plan during a Special Enrollment Period--an enrollment period outside the normal Open Enrollment Period for enrollment.

A2.3.2.1.1. Employees and Dependents Losing Other Coverage. Generally, an employee who is eligible, but not enrolled, for coverage under the terms of the Department of Defense Health Benefit Plan (or a dependent of such employee if the dependent is eligible, but not enrolled, for coverage under such terms) is entitled to a Special Enrollment Period if: (1) the employee or dependent was covered under another group health plan or other health insurance at the time coverage under the Department of Defense Health Benefits Plan was previously offered to the employee or dependent; (2) at the time of such offer, the employee declined to enroll in the Department of Defense Health Benefits Plan because of such coverage under another group health plan or other health insurance; (3) subsequent to such declination, the employee or dependent loses such coverage; and (4) the employee requests enrollment in the Department of Defense Health Benefits Plan within 31 calendar days of such loss.

A2.3.2.1.2. Employees' New Dependents. Generally, a dependent of an employee is entitled to a Special Enrollment Period if the employee is a participant in the Department of Defense Health Benefits Plan (or is eligible to be enrolled in the Department of Defense Health Benefits Plan but for a failure to enroll during a previous enrollment period); a person becomes such a dependent of the employee through marriage, birth, adoption or placement for adoption; and the employee seeks coverage

for the member's new dependent within 31 calendar days of the date of the marriage, birth, adoption or placement for adoption.

A2.3.2.2. Changes in Status. An employee may revoke the member's election during a plan year and make a new election for the remainder of the plan year if (1) they are affected by a "change in status", and (2) the election change is on account of and corresponds with such change in status. The following events are changes in status for purposes of this paragraph.

A2.3.2.2.1. Legal Marital Status. Events which change the employee's legal marital status, including marriage, death of a spouse, divorce, legal separation, or annulment.

A2.3.2.2.2. Number of Dependents. Events which change the employee's number of dependents, including birth, death, adoption, or placement for adoption.

A2.3.2.2.3. Employment Status. Events which change the employment status of the employee, a spouse, or a dependent, including a termination or commencement of employment, a strike or lockout, a commencement of or return from an unpaid leave of absence, or a change in worksite. In addition, if the eligibility conditions of the cafeteria plan or other employee benefit plan of the employer of the employee, spouse, or dependent depend on the employment status of that individual, and there is a change in that individual's employment with the consequence which the individual becomes (or ceases to be) eligible under the plan, then that change constitutes a change in employment status under this paragraph.

A2.3.2.2.4. Dependent Satisfies or Ceases to Satisfy Eligibility Requirements. Events which cause the employee's dependent to satisfy or cease to satisfy eligibility requirements for coverage on account of attainment of age, student status, or any similar circumstance.

A2.3.2.2.5. Residence. A change in the place of residence of the employee, spouse, or dependent.

A2.3.2.3. Judgment, Decree, or Order. An employee may revoke the member's Flexible Benefits Plan election during a plan year and make a new election for the remainder of the plan year if such change is on account of and corresponds with a judgment, decree, or order resulting from divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order as defined in 29 USC 609, *National Medical Support Notice* which requires accident or health coverage for the employee's "child" (as that term is defined by the Department of Defense Health Benefits Plan) or for a foster child who is a dependent of the employee. Under such circumstances, the employee may either:

A2.3.2.3.1. Change the member's Flexible Benefits Plan election to provide coverage for the child if the order requires coverage for the child under the Department of Defense Health Benefits Plan; or

A2.3.2.3.2. Change the member's Flexible Benefits Plan election to cancel coverage for the child if the order requires the employee's spouse, former spouse, or other individual to provide coverage for the child; and proof of coverage is, in fact, provided. (This means, a servicing Human Resources Office may not cancel the employee's

coverage until the employee first presents evidence satisfactory to the servicing Human Resources Office that such "other coverage" has been provided.)

A2.3.2.4. Entitlement to Medicare or Medicaid. If an employee, spouse, or dependent who is enrolled in the Department of Defense Health Benefits Plan becomes entitled to coverage (i.e., becomes enrolled) under Medicare or Medicaid, other than coverage consisting solely of benefits conferred by the program for distribution of pediatric vaccines, the employee may make a prospective election change to cancel or reduce coverage of the employee, spouse, or dependent under the Department of Defense Health Benefits Plan. Conversely, if an employee, spouse, or dependent that has been entitled to such coverage under Medicare or Medicaid loses eligibility for such coverage, the employee may make a prospective election change to commence or increase coverage of the employee, spouse, or dependent under the Department of Defense Health Benefits Plan.

A2.3.2.5. Significant Cost or Coverage Changes. An employee may revoke the member's Flexible Benefits Plan election during a plan year and make a new election for the remainder of the plan year:

A2.3.2.5.1. If, during the plan year, the cost of coverage under Department of Defense Health Benefits Plan significantly increases or significantly decreases;

A2.3.2.5.2. If, during the plan year, coverage under Department of Defense Health Benefits Plan changes (i.e., a significant curtailment without loss of coverage, a significant curtailment with loss of coverage, or the addition or improvement of a benefit package option);

A2.3.2.5.3. If the revocation and new election is on account of and corresponds with a change made under another employer plan, provided that the conditions prescribed by 26 CFR 1.125-4(f)(5) are met; or

A2.3.2.5.4. If the revocation and new election is to add coverage for the employee, spouse, or dependent following the employee's, spouse's, or dependent's loss of coverage under any group health coverage sponsored by a governmental or educational institution, such as those institutions listed at 26 Code of Federal Regulation 1.125-4(f)(5).

A2.3.2.6. Special Requirements Relating to the Family and Medical Leave Act. An employee taking leave under the Family and Medical Leave Act may revoke the member's Flexible Benefits Plan election during a plan year and make a new election for the remainder of the plan year as may be provided for under the Family and Medical Leave Act.

Attachment 3

EMPLOYEE HANDOUT – FLEXIBLE BENEFITS PLAN SUMMARY

A3.1. General. The Air Force Nonappropriated Fund Flexible Benefits Plan is based on Title 26 United States Code Section 125, *Internal Revenue Code*. Employees who participate in the Flexible Benefits Plan pay “pre-tax” premiums for group health/dental coverage, which normally reduces their taxable earnings and increases their take-home pay. Employees not participating in the Flexible Benefits Plan pay their group health/dental premiums with “after-tax” dollars.

A3.2. Eligibility. If the member are currently enrolled in the Department of Defense Health Benefits Plan, Health Benefits Program, or the Health Benefits Plan, or the Stand Alone Plan, the member is eligible to participate in the Flexible Benefits Plan.

A3.3. Enrollment.

A3.3.1. Initial Enrollment. To enroll in the Flexible Benefits Plan, simply complete the Health Benefits Plan enrollment form at the Human Resources Office. For group health plan-related transactions under the Department of Defense Health Benefits Plan, employees must complete AF Form 3558, *Election Statement*. **(T-3)**. For Stand Alone Dental Plan-related transactions, employees must complete Form GIP-SAD-FBP, *Election Statement-Election of Method of Payment for Stand Alone Dental*. **(T-3)**.

A3.3.2. Flexible Benefits Plan Open Enrollment Period. If the member is not currently enrolled in the Flexible Benefits Plan, the member can enroll during the next Flexible Benefits Plan Open Enrollment Period as long as the member is currently participating in the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan. Check with the Human Resources Office for Open Enrollment Period dates and more details.

A3.3.3. Effective Date of Premium (Tax) Election. The effective date of the member’s premium (tax) election will depend on whether the member is newly enrolled in the Department of Defense Health Benefits Plan or Stand Alone Plan, or whether the member is changing their current enrollment and/or tax elections during the Flexible Benefits Plan Open Enrollment Period or upon a life-qualifying event such as marriage, birth/adoption, or divorce/death, etc. The Human Resources Office will advise when the member’s premium (tax) election takes effect. **(T-3)**.

A3.3.4. Flexibility. Because of the Internal Revenue Service regulations, employees paying premiums with pre-tax dollars cannot drop or change their Department of Defense Health Benefits Plan or Stand Alone Dental Plan coverage during the plan year (January through December) unless they meet certain qualifying conditions. For more details, refer to the handout on Qualifying Events for Changing a Flexible Benefits Plan Election or check with the Human Resources Office.

A3.3.5. Effect on Social Security Benefits. The members Social Security Award at retirement may be slightly reduced because Social Security benefits are based on lifetime earnings, which are subject to Federal Insurance Contributions Act (FICA) taxes. With the Flexible Benefits Plan, the amount of earnings subject to FICA taxes is slightly reduced. However, the present value of current tax savings generally exceeds the value of future Social Security benefits which might be lost.

A3.3.6. The member may not deduct premiums for the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan on the member's individual tax returns.

A3.4. Summary. Remember the following points when the member considers participating in the Flexible Benefits Plan.

A3.4.1. Participation is available only to employees who are currently enrolled in the Department of Defense Health Benefits Plan or the Stand Alone Plan.

A3.4.2. Flexible Benefits Plan Open Enrollment Period runs annually. Check with the Human Resources Office for specific dates and more information.

A3.4.3. Flexible Benefits Plan Year is a calendar year. The same as the tax year (January through December).

A3.4.4. When the member participates in the Flexible Benefits Plan, the member may not change or cancel their Department of Defense Health Benefits Plan coverage or Stand Alone Dental Plan coverage or their premium (tax) election until the next Flexible Benefits Plan Open Enrollment Period except under limited circumstances. The Human Resources Office has more details.

A3.4.5. The effective date of the member's premium (tax) election will depend on whether the member is newly enrolled in the Department of Defense Health Benefits Plan or the Stand Alone Dental Plan, or if the member is changing their current group insurance enrollment and/or tax elections during the Open Enrollment Period or upon a life-qualifying event such as marriage, birth/adoption, or divorce/death, etc. Refer to the handout on Qualifying Events for Changing a Flexible Benefits Plan Election or check with the Human Resources Office for more information.

A3.4.6. Recommend the member seek advice from a qualified tax advisor/counselor or an accountant before making an enrollment decision regarding their Flexible Benefits Plan option.

Attachment 4

**UNITED STATES DEPARTMENT OF LABOR, DIVISION OF LONGSHORE AND
HARBOR WORKERS' COMPENSATION DISTRICT OFFICES**

Figure A4.1. United States Department of Labor, Division of Longshore And Harbor Workers' Compensation District Offices.

<i>Longshore District Office, New York</i> U.S. Department of Labor OWCP/DLHWC 201 Varick Street, Room 740 Post Office Box 249 New York, NY 10014-0249	<i>Longshore District Office, Jacksonville</i> U.S. Department of Labor OWCP/DLHWC Charles E. Bennett Federal Building 400 West Bay Street, Room 63A, Box 28 Jacksonville, FL 32202
Division of Longshore and Harbor Workers Compensation (DLHWC). The DLHWC went live with consolidated case create in New York and central mail receipt processing in Jacksonville on December 2, 2013.	

A4.1. Do Not Send Case Specific Mail to the District Offices. Only send it to New York for case create, and thereafter to Jacksonville.

A4.2. Office of Workers' Compensation Program (OWCP) Case Number on Every Document. If a case number has been assigned by OWCP, the case number should be on every document submitted.

A4.3. OWCP Case Number Legibility. When placing the OWCP case number on the document, please do not write it too close to the edge of the paper and do not highlight it.

A4.4. Multiple Copies of Documents. Do not submit multiple copies of the same document, e.g., 3 copies of the same form.

A4.5. Submission by Fax and Mail. Documents should be mailed unless time sensitive. However, if a document is faxed, do not send it via mail. The document should be mailed or faxed, not both.

A4.6. Copies of Previously Submitted Documents. Do not submit copies of previously submitted forms for informational purposes. If the member is submitting the form because there is an amendment to the form, please write "Amended" somewhere on the form.

Attachment 5

BENEFIT CALCULATION EXAMPLE

A5.1. Background: A full-time, 40-hour week employee works Monday through Friday, off Saturday and Sunday. For the 52-week period prior to 4 January, the date of injury, the employee earned wages of \$27,144. Employee’s hourly rate of pay at the time of injury was \$12.50. The first day of lost time was 5 January with a return to work on 11 January. On 16 February, the employee became disabled again; returned to work on 23 March. The employee was paid sick leave for 5-7 January.

A5.2. Average Weekly Wages: The higher rate is always used. Multiplying the hourly rate x 40 would only yield \$500. Dividing the gross wages received over the previous 52 weeks, however, yields \$522 for the Average Weekly Wages.

A5.3. Temporary Total Disability Rate: Reference A3.1 above, minimum/maximum rates change 1 October.

Table A5.1. Temporary Total Disability Rate.

If Employee Average Weekly Wages is:	Benefit Equals:
Equal/Less than \$344.25	Employee Average Weekly Wages
Equal/Greater than \$344.26 but equal/less than \$516.34	\$344.26
Equal/Greater than \$516.35 but equal/less than \$2065.30	2/3 Average Weekly Wages
Equal/Greater than \$2065.31	\$1377.02
Here, the employee’s earnings fall in the third class, two-thirds of the Average Weekly Wages yields a weekly Temporary Total Disability rate of \$348.	

A5.4. First payment: The employee is due benefits from 8-10 January. On or about 14 January, a payment was cut in the amount of \$149.13 paying Temporary Total Disability for 8, 9, and 10 January, (3/7 x \$348, weekly compensation rate).

A5.5. Second Payment: On 1 March, the employee is due a payment for Temporary Total Disability benefits for the period 16 February through 1 March, totaling \$696.

A5.6. Sick Pay Adjustment: With sick leave paid earlier, the Workers’ Compensation Branch will convert the hours to a dollar amount and submit an accounting transaction to the Shared Service Center to credit the injured worker’s sick leave and reimburse the installation for the amount paid to the injured employee.

A5.7. Future payments: The next payment is due on 15 March for a 2-week period \$696.00. The last payment is due on 30 March and pays the balance of the Temporary Total Disability period, 16 through 22 March, 7 calendar days, \$348.

Attachment 6

PHYSICAL ABILITY RATINGS

A6.1. Rating Physical Work Demands. The Dictionary of Occupational Titles, Volume II, published by the United States Department of Labor (4th edition, 1991), rates five categories of the physical demands of work in terms of strength required:

A6.2. Sedentary Work. Lifting 10 pounds maximum and occasionally lifting or carrying, or both, such articles as docket, ledgers, and small tools. Although a sedentary job is defined as one which involves sitting, a certain amount of walking and standing is often necessary in carrying out job duties. Jobs are sedentary if walking and standing are required only occasionally and other sedentary criteria are met.

A6.3. Light Work. Lifting 20 pounds maximum with frequent lifting up to 10 pounds. Even though the weight lifted may be only a negligible amount, a job is in this category when it requires walking or standing to a significant degree, or when it involves sitting most of the time with a degree of pushing and pulling of arm and/or leg controls.

A6.4. Medium Work. Lifting 50 pounds maximum with frequent lifting, and/or carrying of objects weighing up to 25 pounds.

A6.5. Heavy Work. Lifting 100 pounds maximum with frequent lifting, carrying, or both objects weighing up to 50 pounds.

A6.6. Very Heavy Work. Lifting objects in excess of 100 pounds with frequent lifting, carrying, or both objects weighing 50 pounds or more.

Attachment 7

SAMPLE SEPARATION OR NONPAY STATUS STATEMENTS

Table A7.1. Sample Separation or Non-Pay Status Statements.

If Reason Is	For	Then Sample Statement Should Read
1. Separation	1a. Inefficiency	Separation for Inefficiency—The employee was unable to pass a scheme-sorting test after four trials.
	1b. Disqualification	Separation for Disqualification—The employee through carelessness, repeatedly failed to meet the job requirement of preparing accurate, neat letters according to a standard format, even though the employee demonstrated the ability to do so and received supervisory warnings on three occasions during the probationary period. (Attach a copy of the separating letter to the employee indicating the reason for separation.)
	1c. Displacement	Separation for Displacement—Temporary employee was displaced by a permanent employee.
	1d. Abandonment of Position	Separation for Abandonment of Position—The employee walked off the job without giving notice before or after leaving the position.
	1e. Disability	Separation for Disability—The employee was unable to perform the duty of loading and unloading trucks. No less-strenuous work was available at the equivalent grade.
2. Resignation	2a. To move to another city	Resignation—To accompany spouse to a new duty station.
	2b. To return home	Resignation—To return home to care for an aged parent.
	2c. Personal reasons	Resignation—Transportation or childcare problems, etc., and no other suitable job was available.
		OR

	2d. Dissatisfied	Resignation—To seek other employment
3. Retirement (Optional)	3. Retirement (Optional)	Retirement (Optional)—To engage in a public accounting practice.
		Retirement (Optional)—Rather than accept a two-grade decrease in pay in another line of work as a result of a Business Based Action.
		Retirement (Optional)—Rather than move with unit from Texas to Colorado. (The employee was offered similar work at the same grade in Texas.)
		Retirement (Optional)—Because the employee was no longer able to perform regular job and no other job was available.
4. Business-Based Action (BBA)	4. Business-Based Action (BBA)	BBA—The employee was not offered another job.
		OR BBA—The employee, an NFII administrative assistant, was offered other NFI administrative work.

If Reason Is	For	Then Sample Should Read
5. Removal	5. Removal - Insubordination	Removal—For excessive tardiness or other misconduct. During the last 20 calendar days prior to removal, the employee was tardy 1 hour on 8 calendar days and 2 hours on 5 calendar days with no explanation except, —I overslept
		OR
		Removal—For giving false information on the employment application. (Common examples include misrepresenting education and work experience, as well as failure to disclose criminal violation as the employment application requires.)
		OR

		Removal—For security reasons. (Attach a copy of the separation letter to the employee that indicated the reason for separation.)
6. Termination	6. Termination -Lack of Work	Termination—Lack of work.
		OR
		Termination—Expiration of the employee’s 90 calendar day appointment. The employee refused an extension of the appointment.