

Fact Sheet: Effect of Extended Leave Without Pay (LWOP) (or Other Nonpay Status) on Federal Benefits and Programs

The table below shows the amount of LWOP (or other nonpay status) that is creditable service for purposes of determining an employee's entitlement to or eligibility for the following Federal benefits and programs.

Type of Benefit or Program	Creditable Service for determining entitlement or eligibility
Career tenure	The first 30 calendar days of each nonpay period are creditable service (5 CFR 315.201(b)(4)(ii)(A)).
Probationary period	For the computation of a probationary period on an initial appointment to a competitive service position, a total of 22 workdays in a nonpay status is creditable service (5 CFR 315.802(c) and 317.503(d)(2)).
Qualification standards	For General Schedule positions, there is no requirement to extend qualifying periods by the amount of nonpay status. However, agencies may require such extensions in order to meet training requirements or ability to perform.
Time-in-grade requirements (requirements for promotion)	All nonpay status is creditable service.
Within-grade increases	An aggregate of no more than 2 workweeks in a nonpay status in a waiting period is creditable service for advancement to steps 2, 3, and 4 of the General Schedule; 4 workweeks for advancement to steps 5, 6, and 7; and 6 workweeks for advancement to steps 8, 9, and 10 (5 CFR 531.406(b)). For prevailing rate employees (WG, WL, and WS schedules), an aggregate of 1 workweek nonpay status is creditable service for advancement to step 2, 3 workweeks for advancement to step 3, and 4 workweeks for advancement to steps 4 and 5 (5 CFR 532.417(c)).
Service computation date (annual leave accrual)	For purposes of computing accrual rates for annual leave (i.e., 4, 6, or 8 hours per pay period), an aggregate of 6 months of nonpay status in a calendar year is creditable service (5 U.S.C. 6303(a) and (f) and 8332(f)). The service computation date must be adjusted by the amount of nonpay time in excess of 6 months in a calendar year (i.e., excess time is added to the employee's service computation date).
Accrual of annual and sick leave	The accumulation of nonpay status hours during a leave year can affect the accrual of annual leave and sick leave. (See 5 CFR 630.208(a).) For example, when a full-time employee with an 80-hour biweekly tour of duty accumulates a total of 80 hours of nonpay status from the beginning of the leave year (either in one pay period, or over the course of several pay periods), the employee will not earn annual and sick leave in the pay period in which that 80-hour accumulation is reached. If the employee again accumulates 80 hours of nonpay status, he or she will again not earn leave in the pay period in which that new 80-hour total is reached.

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	(This means that a full-time employee who is in the 6-hour annual leave accrual category and who has accumulated 80 hours of nonpay status in the last pay period of the year will forfeit 10 hours of leave accrual in that pay period.) At the end of the leave year, any accumulation of nonpay status hours of less than 80 hours is zeroed out so that the accumulation for the next leave year starts at zero. For part-time employees, leave accrual is prorated based on hours in a pay status in each pay period; thus, time in nonpay status reduces leave accrual in each pay period containing such time (5 CFR 630.303 and 5 U.S.C. 6307).
Recruitment, relocation, and retention incentives	The service agreement may address the extent to which time in a nonpay status is creditable towards the completion of the service period (5 CFR 575.110(f), 575.210(f), and 575.310(e)).
Student loan repayments	Time in a nonpay status does not count toward completion of the required service period. Thus, the service completion date must be extended by the total amount of time spent in nonpay status (5 CFR 537.107(b)).
Enhanced annual leave flexibility (required 1-year period of continuous service)	If an employee who has been provided with an enhanced annual leave accrual rate under 5 CFR 630.205 is placed in a leave without pay status during the required 1-year period of continuous service, the 1-year period of continuous service must be extended by the amount of time in a leave without pay status. However, if the employee separates or is placed in a leave without pay status to perform military service and later returns to civilian service through the exercise of a reemployment right, or the employee separates or is placed in a leave without pay status while receiving workers compensation and later recovers sufficiently to return to work, then the period of leave without pay is creditable towards the 1-year period of continuous service (5 U.S.C. 6303(e) and 5 CFR 630.205).
Reduction in force (determining years of service)	An aggregate of 6 months nonpay status in a calendar year is creditable service.
Severance pay	Nonpay status time is fully creditable for the 12-month continuous employment period to qualify for severance pay (5 U.S.C. 5595(b)(1) and 5 CFR 550.705). However, for the purpose of determining service creditable towards the computation of an employee's severance payment, no more than 6 months of nonpay time per calendar year is creditable service (5 U.S.C. 5595(c)(1) and 5 CFR 550.707-550.708).
Military duty or workers' compensation	Nonpay status for employees who are performing service in the uniformed services (as defined in 38 U.S.C. 4303 and 5 CFR 353.102) or have been placed in a nonpay status because of an on-the-job injury with entitlement to injury compensation under 5 U.S.C. Chapter 81 counts as creditable service for purposes of rights and benefits based on

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	seniority and length of service upon the employee's return to duty (38 U.S.C. 4316(a) and 5 CFR 353.107.)
Retirement benefits	An aggregate nonpay status of 6 months in any calendar year is creditable service. Coverage continues at no cost to the employee while in a nonpay status. When employees are in a nonpay status for only a portion of a pay period, their retirement deductions are adjusted in proportion to their basic pay (5 U.S.C. 8332 and 8411).
Health benefits	Enrollment continues for no more than 365 days in a nonpay status. The nonpay status may be continuous or broken by periods of less than 4 consecutive months in a pay status (5 CFR 890.303(e)). The Government contribution continues while employees are in a nonpay status. The Government also is responsible for advancing from salary the employee share as well. The employee may choose between paying the agency directly on a current basis or having the premiums accumulate and be withheld from his or her pay upon returning to duty. If non-pay status is due to a lapse of appropriations (shutdown furlough), there will be no opportunity for an employee to pay the agency directly. In this instance, the premiums will accumulate and be paid upon return to duty.
Life insurance	Coverage continues for 12 consecutive months in a nonpay status without cost to the employee (5 CFR 870.508(a)) or to the agency (5 CFR 870.404(c)). The nonpay status may be continuous, or it may be broken by a return to duty for periods of less than 4 consecutive months. Please note that premium payments are required if an enrolled employee in nonpay status is receiving workers' compensation (5 CFR 870.508(a)).
Flexible Spending Account (FSAFEDS)	Incurred eligible health care expenses will not be reimbursed until the employee returns to a pay status and the allotments are successfully restarted (in which case the remaining allotments would be recalculated over the remaining pay periods to match the employee's annual election amount). Eligible dependent care expenses incurred during the nonpay status may be reimbursed up to whatever balance is in the employee's dependent care account, as long as the expenses incurred during the nonpay status allow the employee (or employee's spouse if married) to work, look for work, or attend school full-time. Once dependent care allotments are successfully restarted, remaining allotments would be recalculated over the remaining pay periods to match the employee's annual election amount.
Federal Long Term Care Insurance Program (FLTCIP)	Coverage continues for as long as premiums are paid. If Long Term Care Partners receives \$0 in premium for 3 consecutive pay periods, they begin directly billing the enrollee. If they receive \$0 in premium for 2 or fewer pay periods, they will adjust future deductions with a cap of an additional \$50 until the balance is collected. Enrollees can contact Long Term Care Partners at 1-800-582-3337 for a billing change form if

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	they wish to change their premium billing method from payroll deduction to automatic bank withdrawal or direct billing.
Federal Employees Dental Vision Insurance (FEDVIP)	Coverage will continue. BENEFEDS will generate a direct bill for past due premiums when no premium is paid for 2 consecutive pay periods. Coverage will continue only if the direct bills are paid timely.
Thrift Savings Plan (TSP)	Agencies and employees should refer to the <u>TSP website (external link)</u> or contact their agency representative for information. Agency representatives may contact the Federal Retirement Thrift Investment Board at (202) 942-1450 for additional information.