Have you ever been asked the question: “Why do we celebrate or recognize “Black History Month” also referred to as “African American History Month” for the entire month of February?” The responses may vary even to the point of not knowing the actual answer, other than it is something that has been happening for a long time. Historian, Dr. Carter G. Woodson, born to former slaves in New Canton, Virginia, December 19, 1875, first implemented Black History month as a week-long observance.

Dr. Woodson’s family was too poor to send him to school so he taught himself the basics of education. At the age of 20 he attended and completed high school in two years. He then earned a bachelor’s and master’s degree from the University of Chicago and, in 1912, he earned his doctorate from Harvard University. Dr. Woodson taught in public schools and was a professor at Howard University.

Sometime after earning his doctorate, Dr. Woodson traveled to Chicago to participate in a three-week celebration of the 50th anniversary of the end of slavery. This experience and education created an enthusiasm that inspired Dr. Woodson to continue the study of black history year-round.

The provisions Title 5, Code of Federal Regulations (CFR), Section 890.102 were amended to add the paragraphs (h) and (i) which read as follows:

(h) Notwithstanding paragraphs (c)(1) and (2) of this section, an employee who is in a position identified by OPM that provides emergency response services for wildland fire protection is eligible to be enrolled in a health benefits plan under this part.

(i) Notwithstanding paragraphs (c)(1) through (3) of this section, upon re-
Did You Know? There is a premium increase for FEHB premiums in 2014. The U.S. Office of Personnel Management (OPM) announced the average premium rate for the 8.2 million people covered by FEHB increased by 3.7 percent in 2014. That percentage is only slightly higher than last year’s increase of 3.4 percent, but less than the national average increase in 2013.

On average, FEHB Program enrollees with Self Only coverage will pay $3.28 more per bi-weekly pay period. Enrollees with Self and Family coverage will pay $7.90 more. Premiums for Health Maintenance Organizations will increase an average of 6.5 percent, while Fee-for-Service plans will see an average increase of 3.1 percent.

The government provides a weighted average contribution of 72 percent of premiums with a cap of no more than 75 percent of total premium cost. Approximately 90 percent of all federal employees participate in the Program.

Did You Know? The rollover amount for Flexible Spending Accounts “Use it or Lose it” may change?

The new rule, which employers MAY adopt, would allow employees to use up to $500 of unused money in their accounts at the end of a plan year in the following plan year. IRS Notice 2013-71 provides details on this ruling. OPM and FSA third-party administrator, BENEFEEDS, have not decided whether FSA will adopt the carryover option.

FEHB Benefits Provided for Temporary Firefighters (Cont’d)

“Continued from page 1"

quest by the employing agency, OPM may grant eligibility to employees performing similar types of emergency response services to enroll in a health benefits plan under this part. In granting eligibility requests, OPM may limit the coverage of intermittent employees under a health benefits plan to the periods of time during which they are in a pay status.

These changes provide the opportunity for temporary firefighters and fire protection personnel, who did not generally qualify for coverage, to obtain FEHBP coverage for themselves and their families. In addition, CFR 890.102(h) and (i) allow for other positions that provide emergency response services for wildland fire, identified by OPM or by agency request, eligibility for FEHBP coverage as well.

For information regarding identifying the series and positions that are often used for firefighting personnel, see Benefits Administration Letter 12-203, page three.

For more information on FEHBP coverage of Temporary Firefighters, visit http://www.opm.gov/healthcare-insurance/healthcare/eligibility/#url=Temp-Firefighters
(Continued from page 1)

time lacked the history and achievements of blacks. Blacks were in America as far back as colonial times however, documented information did not occur until the 20th century in many history books.

In his quest to find a way to disseminate this kind of information, Woodson promoted the idea of “Negro History Week” in 1926. Dr. Woodson selected the 2nd week of February because of two key figures in African American History, the birthdays of Abraham Lincoln and Frederick Douglas. Along with the observance of “Negro History Week”, the ASNLH created annual themes. The first annual theme was “The Negro in History”. Although, Dr. Woodson promoted the idea of Black history it was rarely studied or documented.

Initially, the response by many states was not overwhelming. The Department of Education in the North Carolina, Delaware, West Virginia, and the city administrations of Baltimore and Washington, D.C. were among the first to embrace this historical educational event. Dr. Woodson regarded this as “one of the most fortunate steps ever taken by the Association,” and planned to continue this annually. He thought that the teaching of black history was essential to ensure the physical and intellectual survival of African-Americans with broader society. He stated, “If a race has no history, it has no worthwhile tradition, it becomes a negligible factor in the thought of the world, and it stands in danger of being exterminated.”

Over time, the demand for study materials increased and the ASNLH produced pictures, posters, and lessons to assist teachers with bringing “Negro History Week” into the schools. This demand resulted in the production of the “Negro History Bulletin” by the ASNLH.

Dr. Woodson died April 3, 1950. However, the legacy of Negro History Week continued. On the 50th anniversary (February 1976) of Negro History Week and the Bicentennial of the United States independence, the Negro History week was expanded to be observed for a month. Hence “Black History Month” also, known as “African American History Month”.

U.S. Presidents have adopted commemoration of the week through the expansion to a month with messages being issued on the observance. In 1986, Congress passed Public Law 99-244 marking the beginning of the 16th annual public and private salute to Black History. The law called upon President Reagan to issue a proclamation calling on the people of the United States to observe February 1986 as “Black History Month” with appropriate ceremonies and activities.

President Reagan issued Presidential Proclamation 5443 proclaiming the foremost purpose of Black History Month was to make all Americans aware of this struggle for freedom and equal opportunity. He also proclaimed that the month was a time “to celebrate the many achievements of African Americans in every field from science, arts, politics and religion.”

In January 1996, President Clinton issued a Presidential Proclamation 6863 for “National African American History Month.” The theme for the year was the achievements of black women and included historical and modern day figures such as Sojourner Truth, Mary McLeod Bethune and Toni Morrison.

In February 1996, the Senate passed the Senate Resolution 229 commemorating Black History Month and the contributions of African American U.S. Senators. Thereafter, Presidents have continued to issue annual proclamations for National African American History Month.

On February 1, 2011, President Obama issued a Proclamation for the annual theme of “African Americans and the Civil War” in commemoration of the sesquicentennial of the beginning of the Civil War.

The ASNLH has continued to promote the commemoration and the creation of the annual themes. In 2014 the theme is “Civil Rights in America” and in 2015 “A Century of Black Life, History and Culture”

Now, when asked the question, “Why do we celebrate or recognize “Black History Month,” you will know the answer.
Additional Individuals Who Are "Employees" for CSRS and FERS Purposes

The definition of “employee” for Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) purposes can be found in 5 U.S.C. 8331(1) and 5 U.S.C. 8401(11) respectively. The aforementioned sections include individuals considered as Federal employees because they meet the tests of Federal employment described in Chapter 10, section A1.1-2, paragraph F, of the CSRS and FERS Handbook. In addition to the above, Chapter 10, 5 U.S.C. 8331(1), states the following individuals may also be considered employees:

- An employee of the Architect of the Capitol, and an employee of the Botanic Garden;

- A Congressional employee as defined by 5 U.S.C. 2107, after such employee gives notice in writing to the official by whom he or she is paid of his or her desire to become subject to CSRS;

- A temporary Congressional employee appointed at an annual rate of pay, after such employee gives notice in writing to the official by whom he or she is paid of his or her desire to become subject to CSRS;

5 U.S.C. 8401(11), states the following individuals, addition to those who meet the definition in Chapter 10, may also be employees:

- A United States Commissioner whose total pay for services performed as a Commissioner is not less than $3,000 in each of the last 3 consecutive calendar years;

- An individual employed by a county committee established under 16 U.S.C. 590h(b);

- An individual employed by Gallaudet University;

For more information and an inclusive list of those additional individuals who are employees for CSRS and FERS purposes, see section 12A2.1-1 and 12A2.1-2 of the CSRS and FERS handbook via the link below:

If you would like additional information or have recommendations and/or general comments please contact us at benefits@cpms.osd.mil.

FEHB Self Plus One Option

Recently, the Congressional Budget Office (CBO) conducted an analysis of adding a Self Plus One option to the FEHB program (pg. 7). The CBO found that many older employees and retirees, who currently have family coverage with only one eligible family member (e.g. a spouse), would probably benefit from the Self Plus One option. The CBO introduced its study as part of the recent Congressional budget agreement covering Fiscal years 2008 and 2009.

(Continued on page 6)
There are many changes for 2014 that affect benefits for employees, retirees, and survivors. This article highlights some of the significant annual changes that took effect in calendar year 2014.

Cost-of-Living Adjustments
Many people who receive monthly payments from the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS) received a cost-of-living adjustment (COLA) effective December 1, 2013. The increase, seen in their January 2014 annuity payments, is 1.5% for both CSRS and FERS annuitants.

Annuitants who were retired at least 1 year, prior to December 1, 2013, received the full COLA, or maximum increase. To get the full COLA, a retiree’s annuity had to begin no later than December 31, 2012. Retirees whose annuities began between December 31, 2012 and November 30, 2013, received a prorated COLA; one-twelfth of the applicable increase for each month they received an annuity.

Increase in Children’s Benefits
CSRS COLA rates apply to children’s benefits, regardless of whether the child’s parent was under CSRS or FERS. The following rates apply from December 1, 2013, through November 30, 2014.

<table>
<thead>
<tr>
<th>Child(ren) w/ a living parent married to employee or retiree</th>
<th>$502 per month per child; or $1,506 per month divided by the number of eligible children (if over 3).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child(ren) w/ no living parent married to employee or retiree</td>
<td>$602 per month per child; or $1,807 per month divided by the number of eligible children.</td>
</tr>
</tbody>
</table>

FERS Basic Employee Death Benefit
If a death occurred on or after December 1, 2013, but before December 1, 2014, the FERS benefit was an amount equal to 50 percent of the employee’s final annual pay (or average pay if higher) plus $15,000 adjusted for COLA or $31,786.21.

Interest Rate for Service Credit Payments, Refunds, and Voluntary Contributions
The interest rate applies to both CSRS and FERS was 1.625% in 2014.

Significant Social Security Figures for 2014
On October 30, 2013, the Social Security Administration (SSA) published a Fact Sheet that lists 2014 figures that are significant for retirement matters. The Fact Sheet can be found on the SSA’s web site, at http://www.ssa.gov/pressoffice/factsheets/colafacts2014.html. For your convenience, below are a couple of the figures provided:

- Social Security Maximum Wage Base
  The Social Security maximum taxable wage for 2014 is $117,000.

- Bend Points
  The dollar amounts, or bend points, used in the benefit formula for workers who become eligible for benefits in 2014, and in the formula for computing maximum individual benefits for 2014, are $816 and $4,917.

- FERS Retiree Annuity Supplement Earnings Limit
  The Social Security earnings limitation for 2014 is $15,480. Earnings over this limitation will offset the annuity supplement in 2014 by $1.00 for every $2.00 over this amount earned in 2014. This limitation is applicable to any FERS annuitant receiving a FERS annuity supplement unless he or she is:
  - under age 55 and
  - retired under one of the special provisions for law enforcement officers, firefighters, air traffic controllers, or military reserve technicians separated for loss of military membership

Thrift Savings Plan (TSP) Deferral Limit
The elective deferrals is $17,500 for tax year 2014. The catch-up contributions have their own annual limit and eligibility criteria. The limit is $5,500 for 2014. TSP participants that are age 50 or over can make tax-deferred “catch-up” contributions from their basic pay to their TSP accounts.
Pathway to Benefits

OPM has granted health care and other benefits to long-term Federal government interns. Participants in the Pathways Program, which President Obama created by Executive Order (E.O) 13562 in 2010, now can enroll in the Federal Employees Health (FEHB) Program and the Federal Employees Dental and Vision Insurance (FEDVIP) Program.

Pathways, which targets students and recent graduates, is one of the government’s recruitment efforts to attract young people to Federal service. By offering these benefits, OPM hopes to “further the recruitment and retention of talent by Federal agencies.”

OPM issued an interim rule to extend the benefits to Pathways participants who are now eligible for immediate enrollment into both the FEHB and FEDVIP programs.

For more information on the Interim Final Rule covering these benefits, please review the information page at the Federal Register web-site https://www.federalregister.gov/articles/2014/01/06/2013-31506/federal-employees-health-benefits-program-and-federal-employees-dental-and-vision-insurance-program

FEHB Self Plus One Option (Cont’d)

(Continued from page 4)

2014 and 2015, which authorizes the third coverage option within FEHB program. The terms, premium costs, and eligibility of this option have not been decided. Yet, Self Plus One premiums would likely fall between the premium costs of Self and Family and Self Only options.

The idea of adding this type of option has been under consideration for many years. Some believe that those who have family coverage with only one eligible family member are subsidizing those who have multiple family members. Adding to the appeal of this option are CBO estimates that the government would save around $3 billion over 10 years. The savings would be due to lower government contributions toward FEHB benefits for enrollees who switch from Self and Family coverage to a Self Plus One coverage.

As a result of adding this option, Federal retirees would be more likely to switch to Self Plus One coverage, lowering their premium costs. The CBO estimates the average cost of FEHB plans for federal retirees would be lower than under current law. However, the average cost of FEHB plans for active federal employees would be higher than under current law. The rise in costs of other plan types would be due to the increase in the average number of Federal retirees covered by the Self Plus One option.

“Self Plus One premiums would likely fall between the family and self only options in terms of premium cost.”

-CBO Cost
**Inquiring Minds Want to Know**

**Q:** I am a FERS employee who will be retiring from an overseas base. I have a balance of 10 days home leave on the books. When I retire, can I use those days by leaving 10 days early back to the U.S.?

**A:** No, in accordance to DOD Subchapter 1260.4.4.3, home leave may be used “only during a period of service abroad when it is contemplated that the employee will return to service abroad upon completion of the home leave period or upon completion of an assignment in the U.S.”

Reference: 5 CFR 630.601-607 Section 6305 of Title 5 U.S.C.

**Q:** We have an employee who is eligible for Discontinued Service Retirement (DSR) and is being removed due to medical inability to perform. The issue has come up regarding severance pay and her eligibility. The regulations states that she is not eligible for severance, if she is eligible for an immediate annuity. Our question is a DSR considered an immediate annuity since OPM has to approve it?

**A:** There are two references imply that a DSR is considered an immediate retirement with a payable annuity. The first is, 5 CFR 842.206 (d), which states that an involuntary retirement annuity payable under 842.206 (a)-e.g. non special retirement-commences on the day after separation from the service. The second reference is 5 U.S.C. 8336 (d)(1) which states that an employee who is separated from civil service involuntarily, except by removal for cause on charges of misconduct or delinquency, is separated via an immediate retirement.

References: Title 5 CFR 842.206 (d), Title 5 U.S.C. 8336 (d)(1).

**Q:** I have a FERS employee, 53-years-old, who has requested to buy back military service time through payroll deductions. Their intent is to retire at age 62 from federal service, at which time the years of military service would have been completely bought back. My agency is offering Voluntary Separation Incentive Payments. The employee is tempted to accept one and opt for a delayed retirement. I don’t believe the VSIP would affect their projected future retirement benefits (please verify that). In addition, would he continue to make monthly payments to the Office of Personnel Management to complete the buyback prior to age 62? Or can the employee wait until they have enough funds to pay the amount off all at once in the future before age 62? Lastly, can the employee opt to do nothing and request retirement at age 62 and the original amount of their payroll deductions would be deducted from their retirement annuity?

**A:** The employee would have to have completed their deposit no later than the date on which OPM completes the adjudication of their retirement application. If the employee decides not to receive credit for the military service and part of the deposit has been made, this amount will be refunded to the employee.

Annual Administrative Paperwork Checklist

The Annual Checklist is provided as a reminder to some, and a new idea to others. Many employees forget to update their designation of beneficiary forms and other benefits paperwork and later discover that they have not reviewed or updated their information since they were first appointed to their employing agency. This serves as a reminder to encourage your employees to review and update benefits documents on an annual basis, especially the designation of beneficiary forms.

The Federal Employees’ Group Life Insurance (SF2823-Beneficiary Form) offers optional life insurance and deductions increase with age. The age increase occurs in five-year increments. Increases in amounts of coverage are not permitted without obtaining a Qualifying Life Event (QLE), such as birth of a child, adoption, marriage, and divorce. However, decreases in coverage are permitted at any time. Employees may wish to review this information prior to the incremental change to reconsider their personal and family needs and make appropriate changes.

An annual checklist is included as part of this publication and can be used to remind for employees to review their documents for these type changes. Employee may want to consider increasing their TSP contributions to ensure they are taking full advantage of the annual elective deferral limits. Electing changes earlier in the year allows employees the option to spread deductions over a longer period.

The checklist will also remind employees to verify all benefit documents and benefits information that may be affected by an increase in age, annual contributions or life style changes. The checklist may be retained by employees for their personal records, and shared with their spouses or other persons who have an insurable interest.

In addition, employees should review their CSRS (SF-2808) or FERS (SF-3102) beneficiary forms as well as the Unpaid Compensation (SF 1152) beneficiary form.

The Annual Checklist is attached to this edition of Benefacts Newsletter.

Upcoming Benefits Training

Basic Benefits Course
March 18-21, 2014
Time: 8:00 am to 4:00 pm
Place: Mark Center-Alexandria, VA

Basic Intermediate Course
April 15-19, 2014
Time: 8:00 am to 4:00 pm
Place: Mark Center-Alexandria, VA