



Procedures for Claiming Retroactive Reimbursement of Federal Employees Health Benefits Premiums Paid While on Active Duty in Support of a Contingency Operation on or after 8 Dec 95

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The following procedures cover retroactive reimbursement to Department of Defense (DoD) civilian employees for Federal Employees Health Benefits (FEHB) premiums paid while on active duty in support of a contingency operation on or after 8 Dec 95. FEHB premiums paid while in a pay status, including but not limited to military leave, annual leave, and credit hours, are **not** eligible for reimbursement.

These procedures **do not apply** to DoD employees who:

- Returned to civilian employment from active duty in support of a contingency operation by May 02.
- Are currently on active military duty in support of a contingency operation.
- Enter on active military duty in support of a contingency operation in the future.

Who is eligible to be reimbursed for FEHB premiums previously paid?

In accordance with section 519 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107-107), to be eligible for retroactive reimbursement of FEHB premiums previously paid, the employee or former employee must have been:

- A civilian employee of the DoD at the time called to perform active duty. This includes employment with the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense.
- Enrolled in FEHB and paid the employee share of the premiums, either by payroll deduction after returning from active duty or by direct payments to the payroll office during the period of active duty.
- A member of a Reserve component of the U.S. Armed Forces, i.e., the Army National Guard of the United States, the Army Reserve, the Naval Reserve, the Marine Corps Reserve, the Air National Guard of the United States, the Air Force Reserve, and the Coast Guard Reserve.
- Called or ordered to active duty (voluntarily or involuntarily) in support of a contingency operation as defined in section 101(a)(13) of title 10, United States Code.
- Placed on leave without pay or separated from Federal civilian service to perform active duty.
- On active duty for a period of more than 30 consecutive days for each period for which reimbursement is claimed.

I currently work for the Department of the Air Force, but I worked for the Federal Aviation Administration (FAA) when I entered on active duty in 1996. Am I eligible for reimbursement of FEHB premiums?

This procedure covers only individuals who worked for the Department of Defense (DoD) at the time they entered on active duty. As a result, you cannot file claim for reimbursement with the Air Force or any other DoD component. Instead, you should contact the FAA to determine if they have a policy for reimbursement of FEHB premiums to reservists who enter(ed) active duty in support of a contingency operation.

I work for the Department of Interior now, but worked for the Department of the Air Force in 1997 when I entered on active duty. Am I eligible to apply for reimbursement of FEHB premiums?

Yes, as long as your active duty was in support of a contingency operation and your FEHB premiums have not already been reimbursed.

What is the maximum period DoD will pay employee FEHB premiums under this policy?

The maximum period of eligibility for each period of military service in support of a contingency operation is 18 months. The 18 month period begins on the first day the employee is on active military duty. Periods in which the employee is in a paid leave status (for example, military or annual leave) during those 18 months do not extend the eligibility period. The periods for which reimbursement is claimed must have occurred on or after 8 Dec 95.

What type service constitutes military service in support of a contingency operation?

A military operation that is: (a) designated by the Secretary of Defense as an operation in which members of the armed forces are or may become involved in military actions, operations, or hostilities against an enemy of the U.S. or against an opposing military force; or (b) results in the call or order to, or retention on, active duty of members of the uniformed services under section 688, 12301(a), 12302, 12304, 12305, or 12406 of Title 10 U.S.C., chapter 15 of title 10 U.S.C., or any other provision of law during a war or during a national emergency declared by the President or Congress. The first declared contingency operations took place in Bosnia, Southwest Asia (Iraqi Crisis), and Kosovo, and include operations resulting from the 911 Terrorist Attacks. A list of designated contingency operations is included in this package.

How do I apply for retroactive reimbursement of FEHB premiums?

You must submit a separate claim for each period of eligible military service using the claim form included with these instructions. You must provide all required supporting documentation referenced by the claim form, including military orders.

Where do I submit my claim?

The following individuals will submit their claims to the Benefits and Entitlements Service Team (BEST) via fax or mail:

- Current Air Force-serviced civilian employees who meet the eligibility requirements, including those who were employed by a different DoD component such as the Army or Navy at the time the active duty was performed.
- Former DoD employees who meet the eligibility requirements and were last employed by the Air Force. This includes retired employees.
- Survivors of deceased employees who meet the eligibility requirements and were employed by the Air Force at the time of death.

The fax number for BEST is DSN 665-2936 or (210) 565-2936. Our mailing address is:

HQ AFPC/DPCMB
550 C Street West Ste 57
Randolph AFB TX 78150-4759

I currently work for the Department of the Navy , but worked for the Air Force when I performed active duty in 1998. May I file my claim with BEST?

No. You must file your claim with the Department of the Navy. You should contact your Navy Human Resources Office for the address where you may submit a claim.

What kind of documentation must I submit to support my claim for retroactive reimbursement of FEHB premiums?

You must provide your name, social security number, current home address, health benefits enrollment code for each period being claimed, and the beginning and ending dates of the period being claimed (month, day, and year) by using the claim form included with these instructions.

If FEHB premiums were withheld from an incentive award and you have not been previously reimbursed, you must provide the ending date of the pay period the award was paid and if available, the Leave and Earnings Statement (LES) for that pay period.

If you paid FEHB premiums directly to the payroll office by check or money order during the period of active military service, supporting documentation is required. An example of acceptable supporting documentation includes, but is not limited to, copies of cancelled checks or duplicate checks.

Survivors of deceased Air Force employees must also submit a [Standard Form 1153](#), "Claim for Unpaid Compensation of Deceased Civilian Employee," and a certified copy of the certificate of death.

Claims must also be supported by proof of qualifying military service. Examples of acceptable proof include:

- A written order to active duty that lists section 12301(a), 12302, or 12304 of title 10, United States Code, as the statutory authority for the call to active duty.
- An order that states that the duty is in support of one of the named contingency/operations and the statutory authority is a provision of title 10, United States Code.

Members of the Army National Guard or Air National Guard ordered to duty under title 32, United States Code, or any provision of state or territorial law, or the District of Columbia Code, are not eligible.

Is there a time limit for filing retroactive claims?

Based on the Statute of Limitations, a claim may be filed for a period of up to six years. Since Public Law 107-107, Section 519, which created the legal basis of the claim, became law on 28 Dec 01, the six-year period for filing retroactive claims will continue until, at the earliest, 28 Dec 07. However, under a provision of the Soldiers and Sailors Civil Relief Act, the time the employee is on active duty will not count in determining when the six-year period ends.

How long will it take to receive my refunded FEHB premiums after filing the claim?

We can't give you an exact time frame – it could take six months or longer. Much depends on the complexity of each claim, the completeness of the information provided with each claim, and whether or not the claimant is a current employee or former employee or survivor. Claims of separated Air Force employees and survivors must be worked as a special payment.

What are the tax consequences of reimbursed FEHB premiums?

Section 106 of the Internal Revenue Code provides for exclusion from income of employer provided health benefits, to include premiums. If the premiums were paid with pre-tax dollars under the Federal Employees Health Benefits-Premium Conversion (FEHB-PC) program, then the employee received the section 106 tax benefit in that year and any reimbursement now of the premium would be taxable income to the employee. (Premium Conversion became effective in October 2001.) If the employee paid the premium with after-tax dollars, then any reimbursement now would be tax-free and the section 106 tax benefit is realized in the year reimbursed. Neither situation would require any correction to a previous W-2. If the reimbursed

premiums are taxable income, they will be reflected in the W-2 for the tax year in which the reimbursement is received.

What if the employee paid the premiums with after-tax dollars and included the FEHB premiums in the medical expenses as an itemized deduction when filing a tax return for a prior year?

The employee should consult with a tax advisor for specific guidance on how to handle such situations, but generally, such reimbursed itemized deductions are included as income in the tax year in which they are received.

Designated Contingency Operations

The contingencies and operations that are included in each are provided below.

<u>Contingency</u>	<u>Authority</u>	<u>Effective Date</u>	<u>Status</u>
Bosnia <ul style="list-style-type: none">• Operation Joint Endeavor• Operation Joint Guard• Operation Joint Forge	Executive Order 12982	8 Dec 95	Ongoing
Southwest Asia (Iraqi Crisis) <ul style="list-style-type: none">• Operation Southern Watch• Operation Northern Watch• Operation Desert Spring• Operation Desert Thunder• Operation Desert Fox• Operation Desert Falcon• Operation Desert Focus	Executive Order 13076	4 Feb 98	Ongoing
Kosovo <ul style="list-style-type: none">• Operation Allied Force• Operation joint Guardian	Executive Order 13120	27 Apr 99	Ongoing
911 Terrorist Attacks <ul style="list-style-type: none">• Operation Infinite Justice• Operation Enduring Freedom• Operation Iraqi Freedom• Operation Noble Eagle	Executive Order 13223	14 Sep 01	Ongoing

