

# Possible health benefits refund problems

**E**mployees with on-the-job injuries, in some circumstances, have their health benefit premiums deducted from wage-loss compensation paid by the Office of Workers' Compensation Programs (OWCP) at a rate higher than what they owe. When that occurs, the Postal Service is required to reimburse the employee for the overdeduction.

Beginning last July, OWCP suspended Postal Service access to electronic claim file information, due to Privacy Act concerns. Some reports indicate that OWCP's suspension may make it more difficult for the Postal Service to make the required health benefit premium refunds. This column explains what to do if that happens.

The OWCP overdeduction of employee health benefit premiums occurs when an injured postal employee has been drawing full wage-loss compensation\* for more than a year. OPM has standard rates for federal employees' portion of health benefit premiums. However, postal employees pay a lower rate than other federal employees. For the first year of compensable disability of a Postal Service employee, OWCP deducts health benefit premiums at the lower Postal Service rate. At the end of one year, OWCP begins deducting at the higher federal rate. When that happens, the Postal Service is required to refund the difference to the employee on a quarterly basis.

To be eligible for the refund, employees must meet the following criteria:

- Employees must be in an LWOP/injury on duty status. (Employees who are separated from the Postal Service are not eligible.)
- Employees must be in receipt of OWCP compensation payments with health benefit premiums deducted at the OPM rate.
- A period of a least one year must have elapsed since the employee was initially placed on OWCP compensation.

**Postal Service regulations** regarding the Health Benefit Refund are found in the Employee and Labor Relations Manual (ELM) 525.132 and USPS Handbook EL 505 Sections 4.24, 4.25 and 13.20. Those regulations establish that the Postal Service is obligated to make the


quarterly reimbursements. It is not discretionary. The regulations require the Postal Service, on a quarterly basis, to calculate the amount of the refund to be paid, complete PS Form 202 (see below), verify eligibility and calculations using the Injury Compensation Performance Analysis System (ICPAS), submit the PS Form 202 along with PS Form 8230 for payment, and send a copy of the PS Form 202 to the employee.

It is possible that the Postal Service will find it difficult to verify eligibility for (and calculations of) health benefit premium overdeductions using its internal electronic system (ICPAS), because OWCP has suspended access to electronic claim file data. If so, the Postal Service will have to verify eligibility and calculations using other means.

Injured workers and branch officers should closely monitor this situation to ensure that the Postal Service meets its obligation to make quarterly health benefit premium refunds where required.

\* If an injured employee is working some hours but not full time, and drawing wage-loss compensation for the balance, there should be no overdeduction of health benefit premiums because the Postal Service should be deducting the premiums from the employee's wages. In this circumstance, OWCP should not be deducting any premiums.

Exhibit 525.132  
**PS Form 202, Health Benefits Refund Payment Authorization**

54772	
 <span style="float: right;"><b>Health Benefits Refund Payment Authorization</b></span>	
<b>Instructions</b>	
This is to authorize payment to this employee for refund due on excess withholdings on health benefits premium from the OWCP compensation payments.	
Name (Employee/Applicant)	Social Security Number
Address (City, State, ZIP + 4)	MSC Name
Health Benefits Code	Finance Number
Periods Covered	Amount to Be Paid
(Officer Use Only)	Signature of Authorizing Official
	Approval by MSC Manager or Designee
PS Form 202, October 1984	
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