

Reporting outside income



**Kevin
Card**

Some letter carriers are entrepreneurs. Aside from delivering the mail, letter carriers repair cars, mow lawns, roof houses and perform just about any service imaginable. I know a letter carrier who helps low-income senior citizens file tax returns after work in her spare time, at no charge.

We are an amazing cross-section of America, if not the world.

When a letter carrier is injured on the job and is receiving wage-loss compensation, he or she must report any such work or sources of income, as well as non-paid volunteer work.

Compensation benefits are initially paid by the Office of Workers' Compensation Programs (OWCP). At the end of each fiscal year, OWCP bills the Postal

Service for the previous year's medical and wage-loss benefits. To attempt to control these costs, the Postal Service Office of Inspector General (OIG) routinely monitors injured workers. The odds are that if you are injured and on wage-loss compensation, the OIG is monitoring you.

If the OIG has any question that an injured worker is engaging in, or capable of performing, any type of work, it is probable that an investigation will be initiated and OWCP will be contacted.

Section 8106(b) of the Federal Employees Compensation Act (FECA) states:

The Secretary of Labor may require a partially disabled employee to report his earnings from employment or self-employment, by affidavit or otherwise, in the manner and at the times the Secretary specifies. The employee shall include in the affidavit or report the value of housing, board, lodging, and other advantages, which are part of his earnings in employment or self-employment and which can be estimated in money.

An employee who:

- (1) fails to make an affidavit or report when required; or
- (2) knowingly omits or understates any part of his earnings; forfeits his right to compensation with respect to any period for which the affidavit or report was required.

Compensation forfeited under this subsection, if already paid, shall be recovered by a deduction from the compensation payable to the employee or otherwise recovered under section 8129 of this title, unless recovery is waived under that section.

There are two primary ways an injured worker will be asked to report: on OWCP forms CA-7 and EN-1032.

Section 3 of the CA-7 states:

You must report **all** earnings from employment (**outside** your federal job); include any employment for which you received a salary, wages, income, sales commissions, piece-work, or payment of **any** kind during the period(s) claimed in Section 2. Include self-employment, involvement in business enterprises, as well as service with the military forces.

Fraudulent concealment of employment or failure to report income may result in forfeiture of compensation benefits and/or criminal prosecution.

Injured workers can avoid forfeiture of compensation and criminal prosecution by reporting all work and sources of income on every CA-7 and EN-1032. There is no penalty for reporting sources of income that you are entitled to, whereas the penalties for not reporting such income are significant. When in doubt, report everything.

Many injured workers have made the mistake of not reporting income from businesses they were engaged in prior to the start of their postal career or to the date of their injury, especially businesses that made no income or even lost money. The fact that a business was a failure does not absolve the claimant from the requirement to report it to OWCP.

“When in doubt, report everything.”

OWCP can send Form EN-1032 at any time to claimants who are on the periodic roll or on the daily roll. Form EN-1032 requires the claimant to report employment, volunteer work, dependents, other federal benefits or payments, third-party settlements and fraud offenses for the previous 15 months. The claimant has 30 days to complete and return the EN-1032. If a timely report of earnings is not made, the right to compensation for wage loss is suspended until the report is received.

Perhaps the greatest confusion in filling out the EN-1032 is Part D, Question A: “Do you receive benefits from SSA as part of an annuity for federal service?” This confusing language has resulted in many injured workers not reporting Social Security benefits, resulting in overpayment and the requirement to reimburse OWCP thousands of dollars.

The fact is that many employees do not understand that their SSA benefits are part of their annuity. The safe thing to do is report any Social Security benefits. OWCP will then contact the Social Security Administration and determine whether a deduction from wage-loss compensation is warranted.

Injured workers need to be vigilant and mindful of the penalties for failing to respond to requests for information from OWCP. Do not be in the position where the OIG or OWCP can take action against you.

When in doubt, report everything.