

# Health benefit refunds: The check is in the mail



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**T**here is good news for compensably injured letter carriers who are entitled to Postal Service quarterly health benefit refunds. The NALC has been notified that the Postal Service has started mailing refund checks to eligible employees. The refunds are due to a systemic problem in the Office of Workers' Compensation Programs (OWCP) claims management.

When an injured letter carrier is on wage-loss compensation, OWCP assumes responsibility for deducting premiums for health benefits and Federal Employees' Group Life Insurance (FEGLI) from each payment. For the first year of compensable disability of a Postal Service employee, OWCP deducts health benefit premiums at the postal rate.

However, at the end of one year, OWCP automatically begins deducting health benefit premiums at the federal rate, which is normally higher than the postal rate. This results in overpayments to the Postal Service by injured postal employees. When that happens, the Postal Service is required to refund the difference to the employee on a quarterly basis.

The refunds were suspended in 2013 when OWCP restricted access to information the Postal Service needed to process the refunds. Now that access has been restored, the Postal Service is beginning to process refunds. The first refunds were processed in August 2016 for six pay periods from June 30 through Sept. 21, 2013.

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**The Postal Service role in the OWCP claims process is intended to be non-adversarial and supportive in nature.** When a worker reports an injury, the agency is immediately beholden to binding regulations that are intended to provide the swiftest route to adjudication of a claim. Those regulations are determined by the Federal Employees' Compensation Act (FECA) and the national contract.

Article 21.4 of the national contract states:

The Employer will promulgate appropriate regulations which comply with applicable regulations of the Office of Workers' Compensation Programs and any amendments thereto.

The appropriate regulations are found in the *Employee and Labor Relations Manual (ELM)*, Section 540, and the

Postal Service Workers' Compensation *Handbook EL-505*.

When processing quarterly health benefit refunds, district injury compensation offices follow postal regulations found in the *EL-505*, Chapter 4.

The regulations require the Postal Service, on a quarterly basis, to calculate the amount of the refund to be paid, complete PS Form 202, verify eligibility and calculations using the Injury Compensation Performance Analysis System (ICPAS), submit the PS Form 202 along with PS Form 2551 for payment, and send a copy of the PS Form 202 to the employee.

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

- Employees must be in an LWOP/injured-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.

Now that the Postal Service has begun processing the quarterly refunds, eligible claimants should have received refund checks sent from the Accounting Service Center in Eagan, MN. Unfortunately, the invoice accompanying these checks lack clear indication of the quarterly refund.

This may present a problem for those who have received and cashed the checks. Federal regulations require injured workers to report any and all payments of any kind when submitting a CA-7 request for compensation or form EN 1032. Failing to report income may result in the forfeiture of compensation and/or criminal prosecution.

Injured workers must notify OWCP indicating the amount and nature of any payment, including a quarterly refund. Quarterly refunds would not be considered income by OWCP. Therefore, the injured worker would suffer no offset of their benefits, as long as OWCP is notified.

Notification in writing provides the best documentation. My January 2015 *Postal Record* column about reporting outside income provides further guidance on this subject.

**The refund data provided to the NALC by the Postal Service raised concerns that every eligible letter carrier may not be receiving the quarterly refunds they are entitled to.** Due to the three-year backlog on the refunds, the process will take months as each quarter is being calculated separately.

Injured workers who feel they are eligible for a refund, but have not received one, should contact their national business agent's office for assistance.