

**Important Notice to All DOJ Employees Regarding Salary Payments for Pay Period 19
(September 22 – October 5, 2013) due to the Appropriations Lapse**

SUMMARY: Everyone will be paid for the days they worked in September. Excepted employees paid from lapsed appropriations will not be paid at this time for work performed in October. Once the lapse ends, and funding resumes, excepted employees will be paid as soon as possible for work performed. Furloughed employees will be paid for the time they are on furlough if Congress specifically authorizes retroactive pay.

What is the Same?

- Salary payments are still scheduled to be made on October 17, the official pay date for pay period 19 (PP19). (NOTE: Some employees may receive their payments earlier, depending on when their banks post the payments).
- All salary payments will be disbursed via the existing direct deposit arrangements.
- Employees may view their Earnings and Leave Statements for PP 19 online beginning Sunday, October 13. (If you do not have access to this information, on-line, please request access at the following link: <https://www.nfc.usda.gov/epps/>.)
- Employees who are **directly** paid from a funding source that did not lapse will be paid for all their regular hours, including October, via their certified Time and Attendance (T&A) submission. NOTE: Employees who are not directly paid by, but whose pay is reimbursed from, a source that did not lapse, such as the Assets Forfeiture Fund, Three Percent Fund, and Health Care Fraud Program, will not receive pay for work performed after September 30 until the lapse in appropriations ends.

What is Different?

- Employees paid from a funding source that has lapsed, regardless of whether they were furloughed (non-excepted) or working (excepted) from October 1 through October 5, will be paid for regular pay and overtime they worked September 22 through September 30. For October 1 through October 5, all such employees, whether working or not, will be in “furlough” status on their T&As and thus will not receive payment for that period. Therefore, employees’ usual paychecks will be reduced.
- While the normal “Order of Precedence” for withholding deductions will be followed (see <http://www.chcoc.gov/Transmittals/TransmittalDetails.aspx?TransmittalID=1477>) please be advised that due to the reduction of pay, employees are encouraged to contact institutions regarding the fact that their existing allotments may not be honored. If the full amount of the voluntary allotment cannot be honored from an employee’s pay, it will not be deducted. When the shutdown ends, in those cases where allotments could not be

deducted, it will be the employee's responsibility to ensure that the allotment is caught up. Further information about the order of precedence, changing allotments, and other payroll issues is attached.

What Happens After the Lapse in Appropriations Ends

- Excepted employees who performed work during the lapse in appropriations will be paid for their work as soon as practicable after the lapse in appropriations ends.
- Non-excepted, furloughed employees will be paid if legislation is passed allowing for them to be paid. Such employees will be paid as soon as practicable after the lapse in appropriations ends.
- We will continue to keep you advised on the availability and timing of retroactive pay.

FAQ for Payroll Deductions/Withholding/Allotments

During a Lapse of Appropriations

1. What is the Order of Precedence for payroll deductions while in a non-pay status (furlough) during a lapse of appropriations?

When an employee's pay is not sufficient to permit all deductions to be collected, NFC computes what can be collected in accordance with OPM Memorandum PPM-2008-01, *Order of Precedence When Gross Pay is Not Sufficient to Permit All Deductions*, which can be found here:

<http://www.chcoc.gov/Transmittals/TransmittalDetails.aspx?TransmittalID=1477>.

The Order of Precedence for civilian federal employees applies **only** when gross pay is not sufficient to permit all deductions; it will be used to determine the order in which authorized deductions from an employee's pay will be processed. Following the Order of Precedence, NFC will withhold each type of deduction in full or part, according to applicable law and procedures.

As a general matter, the Order of Precedence pays deductions in the following order: Retirement; Social Security (OASDI) tax; Medicare tax; federal income tax; basic federal health and life insurance premiums; state income tax; local income tax; debts owed to the U.S. Government; court-ordered debts (e.g. child support, alimony, bankruptcy, garnishments); optional benefits (such as additional insurance and Thrift Savings Plan deductions); voluntary allotments. Please note if the full amount of the voluntary allotment cannot be honored it will not be deducted. There will be no partial payments for voluntary allotments. If an allotment cannot be paid in full, the **employee** must notify the institution receiving the allotment. When the shutdown ends, in those cases where allotments could not be deducted, the **employee** must ensure that the allotment is caught up.

There are many nuances and exceptions involved in implementation of the Order of Precedence and the withholding of such amounts. Employees are strongly urged to review their deductions and allotments and take appropriate steps in advance to adjust their allotments and/or alert creditors or outside entities receiving voluntary allotments of possible shortfalls.

2. What can employees do to adjust their allotments from their paycheck?

Employees can access their Employee Personal Page (EPP) to cancel or reduce any allotments before 7:00 PM EDT Wednesday, October 9, 2013. Employee Self Service will identify the pay period that the change will take place. PLEASE verify in EPP that the change is for pay period 19. Again, review the confirmation that you will receive from NFC via email that confirms the transaction change will take place in pay period 19 and NOT pay period 20.

If you do not have access to this information via EPP, please request access ASAP at the following link: <https://www.nfc.usda.gov/epps/>.

The answer for questions 3 – 7 can be found at <http://www.opm.gov/policy-data-oversight/pay-leave/furlough-guidance/guidance-for-shutdown-furloughs.pdf>

3. Will an employee continue to be covered under the Federal Employee Health Benefits (FEHB) program during a shutdown furlough if the agency is unable to make its premium payments on time?

Yes, the employee's FEHB coverage will continue even if an agency does not make the premium payments on time. Since the employee will be in a non-pay status, the enrollee share of the FEHB premium will accumulate and be withheld from pay upon return to pay status.

4. What happens to an employee's Federal Employees' Group Life Insurance (FEGLI) Program coverage if furloughed?

Coverage continues for 12 consecutive months in a nonpay status without cost to the employee or to the agency. Neither the employee nor the agency incurs a debt during this period of nonpay.

5. What happens to an employee's Flexible Spending Account (FSAFEDS) coverage if furloughed?

Payroll deductions will cease for any employee that does not receive pay. The employee remains enrolled in FSAFEDS, but eligible health care claims incurred during a non-pay status will not be reimbursed until the employee returns to a pay status and allotments are successfully restarted. The remaining allotments are recalculated over the remaining pay periods to match the participant's election amount.

Eligible dependent care expenses incurred during a non-pay status may be reimbursed up to whatever balance is in the employee's dependent care account—as long as the expense incurred during the non-pay status allows the employee (or spouse if married) to work, look for work or attend school full-time.

6. What happens to an employee's Federal Long Term Care (FLTCIP) Program coverage if furloughed?

Payroll deductions will cease for any employee that does not receive pay. Coverage will continue so long as premiums are paid. If Long Term Care Partners does not receive payment for three consecutive pay periods, they will begin to direct bill the enrollee. The enrollee should pay premiums directly billed to him/her on a timely basis to ensure continuation of coverage.

7. What happens to an employee's Federal Dental and Vision (FEDVIP) Program coverage if furloughed?

Payroll deductions will cease for any employee that does not receive pay. BENEFEDS will generate a bill to enrollees for premiums when no payment is received for two consecutive pay periods. The enrollee should pay premiums directly billed to him/her on a timely basis to ensure continuation of coverage.

The answers for questions 8 – 9 can be found at <https://www.tsp.gov/whatsnew/plan/planNews.shtml#govtShutdown>

8. What happens to an employee's TSP contributions?

Because the employee is not paid during a furlough, the TSP contributions will stop, and, if the employee is a FERS employee, he/she will not receive agency contributions during this time. In cases where employees received partial pay and depending on the Order of Precedence, TSP deductions can still be made.

9. What happens to the employee's TSP loan payments while furloughed?

If an employee has an outstanding loan and is furloughed, the loan payments will stop because they are deducted from the employee's pay. Loans are not considered in default until the participant has missed more than 2½ payments. If the employee misses a loan payment (or two) as a result of the furlough, he/she has the option to make direct payments to the TSP using the Loan Payment Coupon available in the Forms & Publications section on the TSP website. Otherwise, the loan term will be extended or, if the employee requested the maximum loan term, they may have a balloon payment at the end of the loan term. If you miss more than 2½ payments, TSP will notify the employee by mail that they must mail in a personal check for the "cure" amount to get the loan back on track. In cases where employees received partial payment and depending on the Order of Precedence, TSP deductions for loan repayments can still be made.