

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

DEPARTMENTAL PERSONNEL MANUAL SYSTEM

Published in advance  
of Incorporation in  
DPM Chapter 630  
Retain until superseded

DPM LETTER: 630- 4

SUBJECT: Approval of Leave Without Pay and Benefits  
Coordination

DATE: JUN - 9 1993

The results of an audit recently conducted by the Office of Inspector General (OIG) at various accounting and payroll offices within the Department show that benefit programs are generally administered in compliance with applicable laws, regulations and instructions. Moreover, internal controls within personnel and payroll offices are generally adequate to ensure that program objectives are achieved and benefit program funds are properly documented and reported. However, during the audit, several problems were identified in the areas of leave without pay (LWOP) and the administration of health and life insurance benefits involving LWOP.

The following reminder of the requirements for documenting and approving LWOP and the appropriate actions which must be taken related to benefits administration for employees on LWOP address the specific problem areas identified by OIG.

1. In all cases, grants of LWOP must show a specific period of time for which the leave is approved. An SF-50 must be issued:
  - a. when 80 hours or more LWOP is granted for an on-the-job illness or injury;
  - b. any time more than 30 consecutive calendar days LWOP is granted; and
  - c. when an SF-50 has not been issued because LWOP was scheduled for 30 consecutive calendar days or less, but then extends longer than 30 consecutive calendar days. The SF-50 should document the entire period of LWOP.

Filing Instructions: File after FPM Chapter 630 Letters

Distribution: All FPM Subscribers, Field and Headquarters

OPI: M-17, 366-9440

2. Except for very limited circumstances, LWOP should not be initially authorized for a period in excess of 52 calendar weeks. Extensions beyond 52 calendar weeks should be scrutinized even more carefully than the original grant, and any supporting documentation should be carefully reviewed by the leave approving official(s) to ensure that additional LWOP is appropriate.
3. In all cases when an extension of LWOP is approved for a longer period than documented by an SF-50, a second SF-50 must be prepared to document the extension.
4. When LWOP is approved, appropriate administrative actions must be taken with respect to health and life insurance benefits.
  - a. When an employee completes 12 months in a nonpay status, life insurance benefits are terminated. A timely notice must be issued to the employee advising of the opportunity to convert to an individual policy.
  - b. An employee may generally continue health benefits coverage for up to 365 days of LWOP; however, the employee is responsible for payment of the employee share of the cost of enrollment for every pay period during which the enrollment continues. Appropriate actions must be taken to secure an election from the employee concerning continuation of coverage, and to collect premiums due. Documentation of notices to employees showing their option to cancel health benefit coverage and their responsibility to pay premiums for periods of LWOP will be maintained by the servicing personnel office.
  - c. Action must be taken to terminate the employee's health benefits coverage at the end of 365 days LWOP, and employees must be advised of their conversion rights.

Personnel Officers shall ensure that those individuals responsible for the administrative processes involved in approving and documenting LWOP and benefits administration are fully aware of and follow the above procedures.

*Glenda M. Tate*

Director of Personnel

M-17:fb:TINSMAN:69440:5/4/93  
mtinsman/docs/DPM-630  
cc: M-10/17