

## Leave Without Pay (LWOP)

A period of LWOP is a result of you being off work, without pay, for non-major life events. If you go on a period of LWOP during the Plan Year, your agency will not withhold your allotment during the period you are on leave. Options for coverage during your LWOP period are based on whether your LWOP is related to a Qualified Status Change (QSC).

### ❑ What is a period of LWOP?

A period of LWOP can fall into one of three categories. Options regarding your allotments vary, depending in which category you fall. Below is a description of the three types of LWOP:

- **Standard LWOP** – A standard LWOP is any time off work in which you do not receive pay as the result of a non-major life event, such as a personal illness. In this case, you can continue coverage that reflects your current election so that allowable expenses you incur during your period of LWOP will be eligible for reimbursement. You have two options regarding your FSA account(s):
  - *Prepay your election by accelerating your allotments prior to your period of LWOP.* Allowable health care expenses incurred during your leave will be eligible for reimbursement. **If you have a DCFSA, dependent care expenses you incur during your leave will not be eligible for reimbursement unless they meet IRS guidelines for eligible expenses. To meet these criteria, you must incur the expenses as a result of you and your spouse, if married, needing to work, look for work, or attend school full-time during the leave. Eligible expenses may be reimbursed up to your account balance.**
  - *Freeze your account.* You will not be eligible for reimbursement of any HCFSA expenses during that period until the Plan Year ends, or until you return to pay status and begin making allotments again. If you return to pay status after the Plan Year ends, you can continue to submit eligible health care expenses for your period of coverage (the beginning of the Plan year up until the date your LWOP began).

When you return to pay status, your allotments will increase by 20% of the previously scheduled deductions not taken during your period of LWOP. If there are less than five pay dates remaining in the year when you return to pay status, your deductions will increase proportionately over the number of pay dates remaining in the Plan Year so that your account is paid in full on the last day of the year.

- **LWOP due to Military Deployment** – When a period of LWOP is a result of Military Deployment, it is considered a Qualified Status Change (QSC). You will have additional options regarding your allotments. Please refer to the [QSC Quick Reference Guide](#) for more information.
- **LWOP and QSCs** – When a period of LWOP is a result of a major life event, it becomes a [QSC](#). You will have the additional option of canceling your election for the remainder of the year and reducing your coverage to the amount deposited or what you have already been reimbursed as of the start of your leave. If you choose to cancel your FSA, expenses you incur during your leave will not be eligible for reimbursement. Any change(s) made as a result of a QSC must be consistent with the event. For example, if you have a child, you would be able to increase your DCFSA as well as your HCFSA. But, if your child turns 13 years of age, thus is no longer eligible under your DCFSA, your election could only be decreased, not increased, and your HCFSA could not be changed at all.

If your period of LWOP occurs *prior* to a QSC, the time off prior to the QSC will be handled as a standard LWOP and will convert to a QSC on the date of the actual event. For example, you (or your spouse) are pregnant and become ill. You decide to take a period of LWOP to recover and are off for 3 weeks. At the end of two weeks, the baby is born. Since birth of a child qualifies as a QSC major life event, your LWOP upgrades to a QSC, effective on the date of the birth. Your time off, beginning with the date of birth of the child forward, is now eligible for a QSC. You will need to notify SHPS of the change and how you would

like to handle your allotments from that point forward. For more information, refer to the [QSC Quick Reference Guide](#).

**❑ LWOP versus QSC**

The chart below lists examples of both LWOP and QSC events. If you still have questions regarding which category best fits your situation, call 1-877-FSAFEDS (372-3337). Benefits Counselors are ready to answer your questions, Monday through Friday, from 9:00 A.M. until 9:00 P.M., Eastern Time. TTY: 1-800-952-0450.

<u>Leave Without Pay</u>	<u>Qualified Status Changes</u>
<ul style="list-style-type: none"><li>▪ Personal illness</li><li>▪ Sabbatical</li><li>▪ Care for dependents or family members in case of illness, accident or bereavement</li><li>▪ To campaign for political office</li><li>▪ Full-time political office</li><li>▪ Community service/mission trip</li><li>▪ Pursuing an education</li></ul>	<ul style="list-style-type: none"><li>▪ Birth or adoption of child</li><li>▪ Military Deployment</li><li>▪ Change in legal marital status (marriage, divorce, death of spouse)</li><li>▪ Death of a dependent</li><li>▪ Change in number of dependents</li><li>▪ Change in a dependent's eligibility</li><li>▪ Change in employment</li></ul>

**❑ I have experienced/will experience a period of LWOP. What do I do now?**

You must notify SHPS if you wish to take a period of LWOP. You can do this by calling 1-877-FSAFEDS (372-3337). Benefits Officers are available to assist you, Monday through Friday, from 9:00 A.M. until 9:00 P.M., Eastern Time. TTY: 1-800-952-0450.