

U.S. Department of Labor

Employment Standards Administration
Office of Workers' Compensation Program-N00
Division of Federal Employees' Compensation
P.O. Box 8300
London, Kentucky 40742-8300



September 24, 2009

Susan M. Carney
Human Relations Director
American Postal Workers Union
1300 L Street, N.W.
Washington, D.C. 20005

File Number:

Dear Ms. Carney:


I am writing as a follow up to your question about what effect receipt of the \$15,000 One-Time Retirement Incentive payment by United States Postal Service's (USPS/Postal Service) will have on a claimant's wage loss compensation under the Federal Employees' Compensation Act (FECA).

The Office of Workers' Compensation Programs' Division of Federal Employees' Compensation has determined that for claimants receiving compensation for temporary total disability, the \$15,000 amount will affect the amount of FECA compensation a claimant on total disability will be entitled to. We understand that the 2009 payment of the first \$10,000 (or prorated amount for part time employees) will be paid in pay period 20 or 21 depending on the employee's separation/retirement date. The second payment will be paid in 2010 during pay period 22.

Once OWCP receives the appropriate documentation (a copy of the claimant's acceptance of the payment, the amount paid and the date of retirement or separation) from the Postal Service, OWCP will perform offset calculations for the periods in question in accordance with the Federal (FECA) Procedure Manual provisions at 2-1000-17 (d)(2). In the event that a claimant is still receiving total wage loss compensation when the 2010 payment is made, a second offset of FECA benefits will be made. Consistent with our long established program policy, FECA compensation for schedule awards and loss of wage-earning capacity is **not** affected by the \$15,000 incentive.

While we will make a concerted effort to track the affected cases, we would appreciate the cooperation of the Postal Service in tracking these cases and the cooperation of the unions in disseminating this important information to employees in order to avoid overpayment of compensation. Please contact our office if we can be of assistance.

Sincerely,


Edward G. Duncan
Deputy Director
Federal Employees' Compensation