



DEPARTMENT OF DEFENSE
CIVILIAN PERSONNEL MANAGEMENT SERVICE
1400 KEY BOULEVARD
ARLINGTON, VA 22209-5144

MAY 20 2008

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: NEW DEATH GRATUITY FOR DEPLOYED CIVILIANS

Public Law 110-181, enacted on January 28, 2008, adds a new death gratuity of up to \$100,000 to the survivors of an employee who dies of injuries incurred in connection with the employee's service with an Armed Force in a contingency operation. This includes employees of non-appropriated fund instrumentalities. Unlike other gratuities that may be payable as a result of the death of a civilian employee, this gratuity is payable by the U.S. Department of Labor, Office of Workers' Compensation Programs (OWCP), as a death benefit under the Federal Employees' Compensation Act (FECA), Title 5 U.S.C. 8102 (a). A letter from the Director of OWCP (Attachment 1) was sent to each Chief Human Capital Officer.

Because of the unique order of payment precedence set out in this law, one which permits up to 50% of this gratuity to be paid to individual(s) designated by the employee, OWCP has created a form which should be given to all DoD deployed and to be deployed civilians in a contingency zone of operations, at [http://www.dol.gov/esa/regs/compliance/owcp/DesignationForm\(4-4-08\).doc](http://www.dol.gov/esa/regs/compliance/owcp/DesignationForm(4-4-08).doc) (Attachment 2). OWCP requires that the form be signed by both the employee and an employing agency representative before it will be recognized as valid. The signed form should be retained in the employee's Official Personnel Folder.

OWCP must be promptly notified not only about the death of the employee, but of any payments made by the employing agency as a result of this death. In addition to FECA death benefits, which include burial expenses payable under Sections 8133(f) and 8134(a) of FECA, there are two other civilian employee death benefits that may be payable by DoD. Public Law 109-234 authorizes DoD to pay a compensable death gratuity for individuals on official duty in Iraq or Afghanistan for fiscal years 2006 - 2008. In the case of death covered under this provision, that benefit is equivalent to one year's salary, payable to designated beneficiaries. There is also a \$10,000 death gratuity payable to designated beneficiaries of deceased Federal employees under Public Law 104-208, retroactive to August 2, 1990; that gratuity, also paid by the agency, can be paid regardless of where the job-related death occurred.

Since the new \$100,000 death benefit will be reduced or eliminated if the year's salary or the \$10,000 gratuity are paid, and neither the year's salary nor the \$10,000 gratuity are paid by OWCP, it is therefore critical that OWCP be notified before they make any payment under this provision, so as to prevent a potential overpayment.

Questions about this benefit may be directed to Mary Patt Scanlon at (703) 696-1985.



Sharon Stewart
Acting Director

Attachments:
As stated

DISTRIBUTION: ASSISTANT G-1 FOR CIVILIAN PERSONNEL POLICY,
DEPARTMENT OF THE ARMY
DEPUTY ASSISTANT SECRETARY, CIVILIAN HUMAN
RESOURCES DEPARTMENT OF THE NAVY
DEPUTY ASSISTANT SECRETARY, DEPARTMENT OF THE
ARMY (MANPOWER AND RESERVE AFFAIRS)
ASSOCIATE DIRECTOR OF NATIONAL SECURITY PERSONNEL
SYSTEM, DEPARTMENT OF THE AIR FORCE
DIRECTOR FOR MANPOWER AND PERSONNEL (J-1),
JOINT CHIEFS OF STAFF
DIRECTOR, PERSONNEL AND SECURITY,
DEPARTMENT OF DEFENSE INSPECTOR GENERAL
DIRECTOR, HUMAN RESOURCES MANAGEMENT, DEFENSE
COMMISSARY AGENCY
CHIEF, HUMAN RESOURCES MANAGEMENT DIVISION,
DEFENSE CONTRACT AUDIT AGENCY
DIRECTOR OF CORPORATE RESOURCES,
DEFENSE FINANCE AND ACCOUNTING SERVICE
DIRECTOR, MANPOWER PERSONNEL AND SECURITY,
DEFENSE INFORMATION SYSTEMS AGENCY
VICE DEPUTY DIRECTOR FOR HUMAN CAPITAL,
DEFENSE INTELLIGENCE AGENCY
EXECUTIVE DIRECTOR, HUMAN RESOURCES, DEFENSE
LOGISTICS AGENCY
EXECUTIVE DIRECTOR, HUMAN RESOURCES, DEFENSE
CONTRACT MANAGEMENT AGENCY
DIRECTOR, HUMAN RESOURCES, DEFENSE SECURITY
SERVICE
CHIEF, HUMAN CAPITAL OFFICE, DEFENSE THREAT
REDUCTION AGENCY
DIRECTOR, HUMAN RESOURCES,
NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY
DIRECTOR, HUMAN RESOURCES SERVICES,
NATIONAL SECURITY AGENCY
PERSONNEL DIRECTOR, DEPARTMENT OF DEFENSE
EDUCATION ACTIVITY
DIRECTOR FOR HUMAN RESOURCES,
WASHINGTON HEADQUARTERS SERVICES
DIRECTOR, CIVILIAN HUMAN RESOURCES MANAGEMENT,
UNIFORMED SERVICES UNIVERSITY OF THE HEALTH
SCIENCES

U.S. Department of Labor

Employment Standards Administration
Office of Workers' Compensation Programs
Washington, D.C. 20210



APR 10 2008

David S. C. Chu
Chief Human Capital Officer
Department of Defense
Office of Personnel and Readiness
Washington, D.C. 20301

Dear Mr. Chu:

This is to advise you that the Federal Employees' Compensation Act (FECA) was recently amended by adding a new section 8102a (5 U.S.C. § 8102a). (See section 1105 of the National Defense Authorization Act for FY 2008, Public Law 110-181) This new provision creates a death gratuity for federal employees (and employees of nonappropriated fund instrumentalities) by authorizing the United States to pay up to \$100,000 to the survivors of "an employee who dies of injuries incurred in connection with the employee's service with an Armed Force in a contingency operation." Unlike other death gratuities, this death gratuity was placed within FECA and, for that reason, will be administered by the Department of Labor's Office of Workers' Compensation Programs (OWCP) as part of the FECA program.

This provision became effective on January 28, 2008, and OWCP is currently drafting regulations implementing the amendment. This one-time death gratuity is to be disbursed to the survivors of the employee in a specific, and somewhat complicated, order of precedence set forth in the statute. It is important to note that these beneficiary stipulations are unique to this new provision, and no existing DOL rules or guidelines cover these circumstances.

The statute also provides the employee the opportunity to change the order of precedence in regard to certain survivors as well as designate up to 50 percent of the benefit to any person. Since the death gratuity is now in effect, DOL believes that it is imperative that potentially affected federal employees be provided the opportunity to exercise the designation option for any death gratuity that unfortunately may be payable.

Therefore, OWCP has created a form, a copy of which is enclosed, to be used by employees to designate the distribution of the death gratuity, should one be payable. The instructions accompanying the form explain the order of precedence that governs awarding the death gratuity and the optional designations that an employee can make.

No designation is necessary if an employee wishes any death gratuity to be distributed in accordance with the order of precedence set out in the statute.

We recommend that any time a Federal employee is assigned to provide service to an Armed Force in a contingency operation, as defined in this provision, he or she be informed of this death gratuity and be given the opportunity to designate a beneficiary on the enclosed form. Employees already so assigned should also be given this opportunity. An employee desiring to designate one or more beneficiaries of a death gratuity payable under this provision should complete and sign a copy of this form, retain a copy, and give the original to his or her employer to be maintained by the employer in the employee's official personnel file, or a related system of records, in case it should be needed at any time in the future.

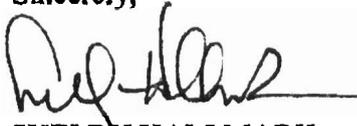
We recommend very strongly that an employee desiring to make a designation varying the order of precedence in the statute, or awarding some of the benefit to another person, utilize the form to avoid potential difficulties in discerning their intentions. However, we recognize that there will be exigent circumstances where this is not possible. In the event that the attached form is not utilized to make a desired designation, we will recognize any document specifying the beneficiary designation that an employee desires to make if it is both signed and dated by the employee and signed and dated by an official of the employing agency involved prior to the death of the employee. Employees not using the form should clearly specify any designation they wish to make.

Your assistance in disseminating this information and obtaining signed designation forms where warranted is vital to proper implementation of this statute, and I urge you to initiate this new procedure as soon as possible so that employees in harm's way have the benefit of this legal authority.

The Department of Labor is moving quickly to draft an interim final rule to provide formal guidance on this and other issues associated with the new provision, but your introduction of this beneficiary election process in advance of those regulations may prevent the loss of a gratuity that would otherwise be payable.

Please contact Barbara Williams of the Division of Federal Employees' Compensation at 202-693-0964 if you have questions about this matter.

Sincerely,



SHELBY HALLMARK
Director, OWCP

Enclosure

Designation of a Recipient of the Death Gratuity Payment under Section 1105 of Public Law 110-181

A. Identifying Information about the Federal Employee

Name (Last, First, Middle)	Date of Birth	Social Security Number
Department or Agency in which presently employed (include Bureau, Division, and phone number)		Location (City, State, and ZIP code)

B. Designating an Alternate Order of Precedence

If you have no surviving spouse or child eligible to receive the death gratuity, and you wish to designate any one or more of your parents or brothers or sisters to receive specific shares of the gratuity, please fill in the required boxes below. If you designate more than one individual and do not indicate a share for each individual, the death gratuity will be paid to those individuals in equal shares. **An individual designated below must be living at the time of payment to receive any or all of your death gratuity.**

First Name, middle initial, and last name of each designee	Address (including ZIP code) of each designee	Relationship to you (must be parent, brother, or sister)	Share to be provided to each designee

C. Additional Designation Provision

In addition to or instead of the above, you may designate any person or persons to receive up to 50% of your death gratuity. If you do not designate anyone in this section, 100% of the death gratuity will be disbursed according to the order of precedence described in the instructions. Under this provision, you may designate a maximum of 50% of the death gratuity in 10% increments. If you utilize this designation provision, the undesignated portion of the death gratuity will be disbursed as specified in the order of precedence. **An individual designated below must be living at the time of payment to receive any of your death gratuity.**

First Name, middle initial, and last name of each designee	Address (including ZIP code) of each designee	Share to be provided to each designee (must be in 10% increments)

D. Statement of Federal Employee Completing this Form

I understand that if this Designation is not valid unless delivered to an official of the employing establishment prior to the death of the employee and that it will stay in effect unless it is cancelled.

I understand that if this Designation is invalid for any reason, the death gratuity will be paid according to the next most recent valid designation. In the event no designation has been made, the death gratuity will pay according to the order of precedence in section 1105 of Public Law 110-181 as described in the instructions.

I am canceling any and all previous Designations of the death gratuity payment under Public Law 110-181, section 1105, and am now designating the recipients named above.

Signature of the Federal Employee. This form is not valid unless the employee signs in this box and enters a date in the box to the right.	Date (mm/dd/yyyy)
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E. Signature of the Employing Establishment Official Receiving this Form

I have received this form from the federal employee who has signed above. To the best of my knowledge and belief, the employee has filled out this form completely in accordance with the instructions on the form.

Signature of the Employing Establishment Official. This form is not valid unless, <u>prior to the death of the employee</u>, the official signs in this box and enters a date in the box to the right.	Date (mm/dd/yyyy)
Printed Name, Title, Address and phone and fax numbers of the Employing Establishment Official. NAME: TITLE: ADDRESS: PHONE NUMBER: FAX NUMBER:	

Privacy Act Notice

In accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a), you are hereby notified that: (1) The Federal Employees' Compensation Act (FECA), as amended and extended (5 U.S.C. 8101, et seq.) including the Death Gratuity in section 1105 of Public Law 110-181 is administered by the Office of Workers' Compensation Programs of the U.S. Department of Labor, which receives and maintains personal information on claimants and their immediate families. (2) Information which the Office has will be used to determine eligibility for and the amount of benefits payable under the FECA, and may be verified through computer matches or other appropriate means. (3) Information may be given to the Federal agency which employed the claimant at the time of injury in order to verify statements made, answer questions concerning the status of the claim, verify billing, and to consider issues relating to entitlement to benefits or other relevant matters. (4) Information may be given to Federal, state and local agencies for law enforcement purposes, to obtain information relevant to a decision under the FECA, to determine whether benefits are being paid properly, including whether prohibited dual payments are being made, and, where appropriate, to pursue salary/administrative offset and debt collection actions required or permitted by the FECA and/or the Debt Collection Act. (5) Disclosure of the claimant's social security number (SSN) or tax identifying number (TIN) on this form is mandatory. The SSN (and/or TIN), and other information maintained by the Office, may be used for identification, to support debt collection efforts carried on by the Federal government, and for other purposes required or authorized by law. (6) Failure to disclose all requested information may delay the processing of the claim or the payment of benefits, or may result in an unfavorable decision or reduced level of benefits.

Note: This notice applies to all forms requesting information that you might receive from the Office in connection with the processing and adjudication of the claim you filed under the FECA.

Designation of a Recipient of the Death Gratuity Payment under Section 1105 of Public Law 110-181

INSTRUCTIONS

The Death Gratuity Payment

If a federal civilian employee or an employee of a nonappropriated fund instrumentality dies of injuries incurred in connection with his or her service with an Armed Force in a contingency operation, his or her eligible survivors may receive a death gratuity payment of up to \$100,000. The gratuity is a one-time payment disbursed to the highest ranked survivor or survivors of the employee according to the order of precedence below.

You do not need to fill out this form if you are satisfied that 100% of the gratuity will be paid entirely to the survivor highest on the list below:

1. Your surviving spouse.
2. If you do not have a surviving spouse, your death gratuity will be paid to your children, in equal shares. Your children include any adopted children, stepchildren who are part of your household at the time of death, and any illegitimate children, subject to the following limitation. An illegitimate child of a male decedent only qualifies as an eligible survivor if the child:
 - has been acknowledged in writing signed by the decedent;
 - has been judicially determined, before the decedent's death, to be his child;
 - has been otherwise proved, by evidence satisfactory to the employing agency, to be a child of the decedent; or
 - is a child to whose support the decedent had been judicially ordered to contribute.
3. If you have no surviving spouse or eligible child, you can choose to divide your death gratuity among your parents or brothers or sisters, as you designate in section B of the form.
 - The term "parents" includes adoptive parents and persons who stood in loco parentis to the decedent for not less than one year before the decedent became an employee covered by this provision, but the term is limited to one father or mother or their counterparts.
 - "Brothers" and "sisters" include half-brothers and half-sisters, and brothers and sisters through adoption.
4. If you have no surviving spouse or eligible child and do not designate anyone in section B of the form, your death gratuity will be paid to your living parent or parents, in equal shares.
5. If you have no surviving spouse, eligible child, or living parent and do not designate anyone in section B of the form, your death gratuity will be paid to your brothers and sisters, in equal shares.