



MEMORANDUM

DATE: January 28, 2019

SUBJECT: Off-Cycle Back Pay Resulting from the Partial Government Shutdown

TO: FPPS User Group Representatives

FROM: Julie Bednar, Acting Chief
Systems Migration and Services Division

Following the signing of the Continuing Resolution on January 25, 2019, the Interior Business Center (IBC) will begin processing back pay for federal employees who were not paid during the partial government shutdown. Although not technical FPPS or time & attendance system questions, the information in the attached question and answer (Q&A) format may be useful as employees have questions about back pay payments and other benefits issues. Feel free to use the content of this message in compliance with your internal agency communication protocols.

In addition, over this past weekend, you should have received communications from IBC regarding the off-cycle payments and time and attendance amendments. If you did not receive that communication, please contact me and I will ensure that the information is sent to you.

Please feel free to contact me at 303-969-6638 or via email at julie_p_bednar@ibc.doi.gov if you have any questions.

Questions and Answers for Back Pay During Lapse of Appropriations

January 28, 2019

Question 1: How soon can I expect to receive retroactive or back pay?

Answer: Processing retroactive pay is a top priority. The lapse period beginning on December 22, 2018, primarily covered three pay periods (PP01, 02 and 03), and we are currently in the middle of PP03. Thus, we have taken direct action to provide back pay payments for PP01 and 02. Timekeepers and supervisors will prioritize updating and certifying employees' time within the Time and Attendance System. The Interior Business Center (IBC) will process "off-cycle" interim payments during the week of January 28, 2019. Employees should start seeing the first deposits as soon as Wednesday, January 30, 2019. (Note: Depending on your financial institution's direct deposit timeframes, the actual deposit dates may vary.)

Question 2: How will back pay payments be handled?

Answer: Back pay will be paid in two separate payments, one for each full pay period occurring during the partial government shutdown.

- PP01: For employees who were furloughed or had to work without pay, timecard amendments will be made to process back pay for all of PP01 (12/23/18 to 1/5/19). If amended timecards are timely submitted, employees can expect to see payments for PP01 deposited as early as Wednesday, January 30, 2019.
- PP02: For employees who were furloughed or had to work without pay, a second round of timecard amendments will be made to process back pay for all of PP02 (1/6/19 to 1/19/19). If amended timecards are timely submitted, employees can expect to see payments for PP02 deposited as early as Friday, February 1, 2019.

Question 3: For those two pay periods payments, will I receive a Leave and Earning Statement in *Employee Express*?

Answer: No. Those two payments will go directly to your financial institution so you should regularly monitor your bank account for payment. You will receive a Leave and Earning Statement (LES) for PP03, which will reconcile any remaining deductions or allotments that were omitted from your two lump sum payments.

Question 4: I was supposed to work on December 22, 2018 (the day after the partial government shutdown began). When will I get back pay for that day?

Answer: Saturday, December 22, 2018, occurred in PP27 (2018). For employees who were regularly scheduled to work that day, and who were furloughed or had to work without pay, back pay for December 22, 2018, will be processed during the PP03 payroll processing cycle (ending February 2, 2019) based on timecard amendments.

Question 5: Will my back pay received for PP01 and 02 be the same amount as my normal paycheck?

Answer: No, but it should be close. Our top priority is getting you paid as quickly as possible. In order to accomplish this, employees will receive “interim” or “off-cycle payments” for PP01 and 02. Interim or off-cycle payments are calculated slightly differently than normal payroll payments. You can expect to receive payment for the number of hours that you normally would have worked, minus deductions for taxes, retirement, health benefits, etc. There will be additional pay corrections processed in the following pay periods to ensure your back pay is made whole.

Question 6: When can I expect my full and reconciled back pay payment?

Answer: If all timecard amendments are input timely for the PP03 processing, your payment will include your regular pay for PP03 plus any remaining back pay that is due to you. The official pay day for PP03 is Tuesday, February 12, 2019, although you may see your direct deposit as early as Friday, February 8, 2019, depending on your financial institution.

Question 7: Will the back pay affect my 2018 wages for tax purposes (i.e., W-2)?

Answer: No. Back pay will be paid in calendar year/tax year 2019 and will be included in your 2019 taxable wages. You can access your 2018 W-2 in www.employeexpress.gov now.

Question 8: I've heard that lump sum payments are taxed at a different (higher) rate. Will larger-than-normal taxes be deducted from the interim, off-cycle payments that I receive?

Answer: The initial off-cycle payments during the week of January 28, 2019, for PP01 and 02, will be calculated using an estimated tax rate. Amendments made for PP03 will ensure that regular tax withholding rates have been calculated for a final corrected back pay.

Question 9: Why was my court-ordered payment (or other allotments, such as union dues) not taken out of the back pay?

Answer: Prior pay period recomputations include only required deductions listed below.

- a. Retirement (CSRS and FERS)
- b. Social Security (OASDI) Tax
- c. Medicare Tax
- d. Federal Income Tax
- e. Basic Health Insurance Premium (FEHB)
- f. Basic Life Insure (FEGLI)
- g. State Income Tax
- h. Local Income Tax
- i. Thrift Savings Plan (TSP)
 - (1) Basic Contributions
 - (2) Catch-up Contributions
- j. Roth Savings Plan
 - (1) Basic Contributions
 - (2) Catch-up Contributions

For other deductions, it depends on the type of deduction as to how retroactive payments will be made. In general, voluntary allotments such as Combined Federal Campaign and allotments to

financial institutions will not be deducted from back pay. Another example is court-ordered payments, which may have required employees to continue to make payments via personal checks while in non-pay status.

If you have specific questions about other allotments, please contact the Customer Support Center at 888-367-1622 or via email at Payroll_Helpdesk@ios.doi.gov.

For additional information that is applicable to all agencies, please refer to the U.S. Office of Personnel Management's (OPM) Fact Sheet at:

<https://chcoc.gov/content/fact-sheet-pay-and-benefits-information-employees-affected-lapse-appropriations>

Moving forward, we will issue additional Q&As as more information becomes available. Thank you again for your dedication and patience. Welcome back!