

For: FFAS Employees

Professional Liability Insurance Partial Premium Reimbursement Program

Approved by: Deputy Administrator, Management



1 Overview

A Background

Congress passed Pub. L. 104-208, dated September 30, 1996, permitting Federal agencies to reimburse their management officials and supervisors for 50 percent of the cost of their annual professional liability insurance premium cost. FSA is also authorizing the extension of the provisions for coverage under the Professional Liability Insurance Program to eligible non-Federal County Office employees.

B Purpose

This notice:

- advises employees of this policy
- provides instructions for applying for and processing the insurance premium partial reimbursement.

C Definition of Professional Liability Insurance

Professional liability insurance is defined as insurance that provides coverage for:

- legal liability for damages because of injuries to other persons, damage to their property, or other damage or loss to other persons, including the expenses of litigation and settlement, resulting from or arising out of any tortuous act, error, or omission of the covered individual (whether common law, statutory, or constitutional) while in the performance of the individual’s official duties as a qualified employee

Disposal Date	Distribution
December 1, 2006	All FAS, FSA, and RMA employees; State Offices relay to County Offices

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1 Overview (Continued)

C Definition of Professional Liability Insurance (Continued)

- the cost of legal representation for the covered individual in connection with any administrative or judicial proceeding, including any investigation or disciplinary proceeding, relating to any act, error, or omission of the covered individual while in the performance of the individual's official duties as a qualified employee, and other legal costs and fees relating to any administrative or judicial proceeding.

2 Professional Liability Insurance

A Partial Insurance Reimbursement Eligibility

The partial insurance reimbursement is payable to any eligible supervisor or management official acting within the scope of their employment as defined in 5 U.S.C. 7103(a)(10) and (11).

B Definitions of Supervisor and Management Official

U.S.C. 7103(a)(10) and (11) defines supervisor and management official as follows:

- supervisor means an individual employed by an agency having authority in the interest of the agency to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline, or remove employees, to adjust their grievances, or to effectively recommend such action, if the exercise of the authority is not merely routine or clerical in nature but requires the consistent exercise of independent judgment

Note: The term "supervisor" includes only those individuals who devote a preponderance of their employment time to exercising such authority.

- management official means an individual employed by an agency in a position the duties and responsibilities of which require or authorize the individual to formulate, determine, or influence the policies of the agency.

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3 Determining Supervisor or Management Official Status

A Supervisory Positions

HRD has determined that the following positions are considered supervisory as defined in subparagraph 2 B, and, therefore, are eligible to participate in the reimbursement program:

- County Office non-Federal employees, such as:
 - CED
 - Program Assistant in Charge
- Federal employees, such as, but not limited to:
 - State Office Chief
 - District Director
 - Farm Loan Manager

Note: Employees who are not sure whether they meet the definition of supervisor or management official should contact their servicing personnel office for verification.

- FAS, Foreign Service Officers.

Note: HRD, Foreign Operations Branch (FOB) has determined that Foreign Service Officers, who are overseas as heads of posts, are eligible to participate in the reimbursement program.

4 Partial Premium Reimbursement Program

A Amount of the Premium Reimbursement Program

Agencies are authorized to reimburse the employee for 50 percent of the annual cost for the premium for professional liability insurance.

B Obtaining Partial Premium Reimbursement

Eligible employees may apply for reimbursement by submitting a completed SF-1164 (Exhibit 1), attaching the insurance premium statement with acceptable proof of payment, such as a canceled check or insurance statement showing premium payments made in full.

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4 Partial Premium Reimbursement Program (Continued)

C Submitting Documentation

Non-Federal employees other than CED should submit all documentation to CED. CED shall review all documentation for accuracy and forward to the State Office for approval of payment. Upon receipt of the certified SF-1164 from the State Office, CED shall issue a payment for the approval amount.

Note: For CED's, Administrative Officer is the Approving Official and SED is the Certifying Officer who will authorize payment to CED's on SF-1164.

Federal employees paying through payroll deduction will also need to submit documentation for proof of payment of the annual premium. **Federal employees** should submit required documentation to their servicing personnel office according to paragraph 6.

D IRS Tax Treatment Determination

Employees should consult their individual tax advisors if they need specific tax information.

E Retroactive Date

Employees may be reimbursed for liability insurance purchased on or after October 1, 1996.

5 Processing Partial Premium Reimbursements

A County Office Employee Payment Processing

Upon approval from the State Office, the County Office shall prepare an administrative payment made payable to the employee using transaction code "LI". See 115-FI, Part 4, Section 2 for complete instructions on issuing administrative payments.

State Offices should contact Lenior Simmons, FMD if there are questions about processing payments.

B Federal Employee Payment

Upon submission and approval of SF-1164, payroll will enter the claim into the payroll system. Employees will receive their payment with their paycheck, either by direct deposit or check.

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6 Contacts

A National Office Contacts

Employees serviced by the National Office shall use this table to obtain additional information.

IF the employee needs to...	THEN...
verify supervisory or management official status	contact the Domestic Operations Branch (DOB) or FOB according to the HRD Services Listing.
ask questions about this notice	contact the Performance Management, Benefits, and Awards Branch (PMBAB) at 202-418-9034 or 202-418-9034.
submit SF-1164 and documentation	send to: USDA/FSA/HRD/PMBAB STOP 0595 1400 Independence Avenue, SW Washington, DC 20250-0595.
ask about issuing the payment	contact DOB, Services Unit at 202-418-9135 or 202-418-9136.

B Other Contacts

Employees who are **not** serviced by the National Office shall direct questions about the contents of this notice or submitting SF-1164 and documentation according to this table.

IF the employee is located in...	THEN contact...
KCHRO or KCCO	KCHRO, Personnel Division at 816-926-6225 or TDD at 816-926-6148.
RMA, Research and Development Division	
APFO	
State Office	State Office, Administrative Division or KCHRO, Personnel Division.
County Office	State Office.

