

# **Retirement Facts 11**

---

---

---

## **Information for Separating CSRS Employees Who Are Not Eligible for an Immediate Annuity**

---

---

---

*This is a non-technical summary of the laws and regulations on the subject. It should not be relied upon as a sole source of information.*

Retirement and  
Insurance  
Service

RI 83-13  
Revised June 1996  
Previous editions are not usable

**Other titles in the Civil Service Retirement System (CSRS) Retirement Facts Series:**

- ***Retirement Facts #1*** - The Civil Service Retirement System (RI 83-1)
- ***Retirement Facts #2*** - Military Service Credit Under the Civil Service Retirement System (RI 83-2)
- ***Retirement Facts #3*** - Deposits and Redeposits Under CSRS (RI 83-3)
- ***Retirement Facts #4*** - Disability Retirement Under CSRS (RI 83-4)
- ***Retirement Facts #5*** - Survivor Benefits Under CSRS (RI 83-5)
- ***Retirement Facts #6*** - Early Retirement Under CSRS (RI 83-6)
- ***Retirement Facts #7*** - Computing Retirement Benefits Under CSRS (RI 83-7)
- ***Retirement Facts #8*** - Credit for Unused Sick Leave Under CSRS (RI 83-8)
- ***Retirement Facts #9*** - Refunds Under CSRS (RI 83-9)
- ***Retirement Facts #10*** - Voluntary Contributions Under CSRS (RI 83-10)
- ***Retirement Facts #12*** - Information About Reemployment for CSRS Annuitants (RI 83-18)
- ***Retirement Facts #13*** - CSRS Offset Retirement (RI 83-19)
- ***Retirement Facts #14*** - Law Enforcement and Firefighter CSRS Retirement (RI 83-20)

**Titles of Federal Employees Retirement System (FERS) Pamphlets:**

- ***FERS Pamphlet*** - FERS (RI 90-1)
- ***FERS Pamphlet*** - Information for Separating FERS Employees Who Are Not Eligible for an Immediate Annuity (RI 90-11)
- ***FERS Pamphlet*** - Information About Reemployment for FERS Annuitants (RI 90-18)

**Titles of CSRS and FERS Pamphlets:**

- Court-ordered Benefits for Former Spouses Under CSRS, FERS, FEHB\*, and FEGLI\*\* (RI 84-1)
- Federal Payments That May Be Available to Federal Employees and Their Families When Employees are Injured or Die on the Job (RI 84-2)
- Life Events and Your Retirement and Insurance Benefits (For employees) (RI 84-3)

**Titles of Health and Life Insurance Pamphlets:**

- Temporary Continuation of Coverage (TCC) under FEHBP\* (RI 79-27)
- FEGLI\*\* Booklet (RI 76-21)

\* Federal Employees Health Benefits Program

\*\* Federal Employees' Group Life Insurance

This pamphlet contains information about retirement and insurance for separating employees who are under the Civil Service Retirement System (CSRS) (including the CSRS Offset provisions), and who are *not* eligible for an immediate annuity. If you meet one of the following age and service combinations, you may be eligible for an annuity now, and this pamphlet is not applicable to you. Your employing agency should help you apply for retirement. **Note:** Unless you are retiring on disability, you must have been employed under CSRS for at least 1 year out of the last 2 years preceding your separation in order to qualify for retirement.

**Eligibility Requirements for  
Immediate Retirement Under CSRS**

<i>Type of Retirement</i>	<i>Minimum Age</i>	<i>Minimum Service (Years)</i>
Optional	62	5
	60	20
	55	30
Special Optional	50	20
Early Optional	Any age	25
	50	20
Discontinued Service	Any age	25
	50	20
Disability	Any age	5

<b><i>Type of Retirement</i></b>	<b><i>Special Requirements</i></b>
Optional	None
	None
	None
Special Optional	You must retire under special provisions for air traffic controllers or law enforcement and firefighter personnel. Air traffic controllers can also retire at any age with 25 years of service.
Early Optional	The Office of Personnel Management must have determined that your agency is undergoing a major reorganization, reduction-in-force, or transfer of function.
Discontinued Service	Your separation must be involuntary and not for misconduct or delinquency.
Disability	You must be disabled for useful and efficient service in both your current position and any other vacant position at the same grade or pay level for which you are qualified. Other requirements must also be met.

---

## **I. Retirement**

### **A. Option: Refund**

1. You may apply for a refund of your retirement contributions if you have been separated from Federal service for at least 31 days or have occupied a position not covered by CSRS or FERS for at least 31 days.

Form to use:

- SF 2802 - Application for Refund of Retirement Deductions

2. If you take a refund of your retirement contributions at separation, you can redeposit the refund (with interest) only if you return to Federal service under CSRS or FERS.
3. Before you can receive a refund, you generally must notify your spouse and any former spouse that you have filed the application. Also, you may be barred from receiving a refund if the refund would end the court-ordered right of any spouse or former spouse to future benefits based on your service. For more detailed information about refunds, see the SF 2802 or Retirement Facts 9, "Refunds Under the Civil Service Retirement System."

### **B. Option: Deferred Annuity**

1. If you have at least 5 years of creditable civilian service, do not receive a refund of all retirement contributions, and are not eligible for an immediate retirement benefit, you may be eligible for a deferred annuity at age 62.
2. Contact us to ask for OPM Form 1496A, Application for Deferred Retirement. Call (202) 606-0500 or write us at OPM, P.O. Box 45, Boyers PA 16017-0045. Complete the form and mail it to us no sooner than 2 months before you are 62. The deferred annuity begins on your 62nd birthday.

3. The general formula for computing annuities can be expressed as a percentage of your “high-3” average salary. Your high-3 average salary is the highest 3 years of base pay or salary you earned in any consecutive 3-year period (usually your last 3 years). The percentage is determined by a 3-part formula based on your length of creditable service. You earn:  
  
1.50% per year for the first 5 years or 7.50% plus 1.75% per year for the next 5 years or 8.75% plus 2.00% per year for service over 10 years.
4. If you want to make a deposit for post-1956 military service so that you can receive credit for this service in the computation of your deferred annuity, you must pay the deposit *to your employing agency before you separate* from Federal employment. OPM cannot accept your payment.

---

## **II. Health Benefits**

### **A. 31-day Extension of Coverage and Temporary Continuation of Coverage.**

1. Enrollment in the Federal Employees Health Benefits (FEHB) program terminates on the last day of the pay period during which you separate. You then have a 31-day free extension of coverage.
2. When you separate from service, you may choose to continue FEHB coverage for a period of 18 months after your separation. If you take advantage of this temporary continuation of coverage option, you must pay *both* the employee and the employer share of the health benefits premium plus an administrative charge of 2 percent of the premium. You can choose to enroll in the same plan you had at separation or

any other plan, option, or type of enrollment for which you are eligible. (DOD employees should contact their personnel office to determine if any exception applies.)

3. Temporary continuation of coverage begins as soon as the 31-day free extension of coverage ends regardless of when you elect it. Your agency is required to notify you about your eligibility for temporary continuation of coverage within 60 days after you separate. You have 60 days after receiving the notice to enroll. If you enroll after the 31-day free extensions expires, your enrollment will be retroactive to the expiration of the 31-day free extension and you will be billed for the retroactive coverage.
4. You may get additional information about temporary continuation of coverage from the pamphlet, "Temporary Continuation of Coverage (TCC) under the Federal Employees Health Benefits Program" (RI 79-27), which is available through your employing office.

#### ***B. Conversion Privilege***

1. If you do not want to continue your health benefits coverage under the temporary continuation provision described in paragraph A.2., you may convert to an individual (nongroup contract). The conversion contract is available only from the carrier of the plan you are enrolled in when you separate. If you continue your coverage under the temporary continuation provision, you will have another opportunity to convert to an individual contract at the end of the 18-month period.
2. If you do convert, you must pay the entire cost of coverage and your benefits may be less than previous coverage. However, the carrier must offer you a non-group contract regardless of any health problems you or your family members may have.

**C. Form You Should Receive: SF 2810  
- Notice of Change in Health  
Benefits Enrollment**

When you separate, your employing office must terminate your enrollment by completing an SF 2810, and forwarding you a copy. The SF 2810, and forwarding you a copy. The SF 2810 tells about the 31-day extension of coverage and how to convert to a nongroup contract, and gives information about temporary continuation of coverage. Your agency will also give you a notice about your eligibility for the temporary continuation of coverage described above (paragraph A) and information about how to enroll.

**D. Reinstatement of Coverage**

You *cannot* reinstate your health benefits coverage if you receive a deferred annuity.

---

**III. Life Insurance**

**A. Conversion Privilege**

Life insurance under the Federal Employees Group Life Insurance (FEGLI) program terminates on the last day of the pay period during which you separate. You then have a 31-day free extension of coverage during which you may convert to an individual policy.

**B. Forms You Should Receive:**

- SF 2821 - Agency Certification of Insurance Status
- SF 2819 - Notice of Conversion Privilege

When you separate, your employing office must terminate your coverage by completing an SF 2821 and forwarding a copy to you. Your employing office must also give you an SF 2819 that provides information on your right to convert to an individual (nongroup) life insurance policy.

**C. Reinstatement of Coverage**

You *cannot* reinstate your life insurance coverage if you receive a deferred annuity.