

Retirement Facts 12



Information About Reemployment for CSRS Annuitants



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.

**United States
Office of
Personnel
Management**

Retirement and
Insurance
Service

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Other titles in the Retirement Facts Series:

1. The Civil Service Retirement System
2. Military Service Credit Under the Civil Service Retirement System
3. Deposits and Redeposits Under the Civil Service Retirement System
4. Disability Retirement Under the Civil Service Retirement System
5. Survivor Benefits Under the Civil Service Retirement System
6. Early Retirement Under the Civil Service Retirement System
7. Computing Retirement Benefits Under the Civil Service Retirement System
8. Credit for Unused Sick Leave Under the Civil Service Retirement System
9. Refunds Under the Civil Service Retirement System
10. Voluntary Contributions Under the Civil Service Retirement System
11. Information for Separating CSRS Employees Who Are Not Eligible for an Immediate Annuity

If you want information on the Federal Employees Retirement System (FERS), ask your employing office for a copy of "FERS", RI 90-1.

Information About Reemployment For CSRS Annuitants

This brochure is for you if you are —

- 1) an employee who is thinking of retiring or
- 2) an annuitant

who wants to know what would happen to your annuity if you return to work as a Federal employee.

It has important information about how reemployment will affect your status as an annuitant, whether you will continue to receive annuity during and after the period of reemployment, and what future retirement benefits may be payable to you on the basis of reemployment.

CSRS Annuity

Annuity Stops

Reemployment will cause your annuity to stop if —

- (1) You are a disability annuitant whom OPM has found recovered or restored to earning capacity prior to reemployment;
- (2) You are a disability annuitant who was not disabled for your National Guard Technician position but were awarded disability annuity because you were medically disqualified for continued membership in the National Guard;
- (3) Your annuity is based on an involuntary separation (other than a separation that was required by law based on your age and length of service or a separation for cause on charges of misconduct or delinquency) and your new appointment is permanent in nature (for example—Career, Career-Conditional, or Excepted); or

- (4) You receive a Presidential appointment subject to retirement deductions.

Employee Status and Retirement Coverage

If your annuity stops as the result of your reemployment with the government, your status will be that of a regular employee.

If your new appointment gives retirement coverage,

- a. the coverage will be CSRS if:
 - you had CSRS coverage when you retired, and
 - you are reemployed within 1 year of your retirement.
- b. the coverage will be CSRS Offset (CSRS **and** Social Security coverage) if:
 - you had CSRS Offset coverage when you retired,
 - you are reemployed more than a year after your retirement, or
 - you are appointed to a senior position that is subject to mandatory Social Security coverage.

Benefits When Reemployment Ends

When your reemployment ends, a new determination about your rights to retirement benefits will be made. Your prior retirement benefit generally has no impact on your new retirement benefit.

If you meet all the requirements for an immediate retirement (see Retirement Facts 1, The Civil Service Retirement System), your benefit will be computed as though you are retiring for the first time. (Note: the unused sick leave balance used in the initial retirement computation will be added to the unused sick leave balance when your reemployment ends.)

Generally, you will have to wait until age 62 to receive a deferred annuity if you do not qualify for an immediate retirement benefit when your reemployment ends.

In rare situations, an annuity based on an involuntary retirement may be reinstated when your reemployment ends. The annuity will be reinstated if:

- you were reemployed after more than 1 year of your initial retirement, and
- your reemployment lasted less than 1 year.

A disability annuity may be reinstated when your reemployment ends if:

- you have not reached age 62.
- you were reemployed more than 1 year after you separated for disability retirement,
- your reemployment lasted less than 1 year, and
- your disability has recurred, or your earnings capacity falls below the 80% limitation.

Annuity Continues

If your annuity does not stop under the rules discussed above, then you will continue to receive it while you are working. Your pay will be reduced by the amount of annuity paid for the period you work. If you do not work full time, the reduction in pay will be adjusted proportionately. However, some pay is not subject to this reduction for annuity. Pay is not reduced for annuity for a period during which you have elected to receive injury compensation benefits in lieu of annuity or when you receive a lump-sum payment of annual leave on separation.

Supplemental or Redetermined Benefits

Reemployment may increase your retirement and death benefits. As a reemployed annuitant, you can earn either a supplemental annuity or a redetermined annuity. A supplemental annuity is an

annuity that is added on to your present annuity. A redetermined annuity is a recomputed annuity that takes the place of your present annuity. If you work as a reemployed annuitant on a full time, continuous basis for at least 1 year, you may be entitled to a supplemental annuity. If you work part time, you must work a proportionately longer period to earn a supplemental annuity. If your reemployment continues for at least 5 years, or the part-time equivalent, you may elect a redetermined annuity.

Intermittent service cannot be counted in establishing eligibility for a supplemental or redetermined annuity and cannot be used in the computation of a supplemental annuity.

If you die while reemployed, after becoming eligible for either a supplemental or redetermined annuity, your surviving spouse may have his or her survivor benefit either increased or recomputed.

CSRS reemployed annuitant service cannot be credited in a supplemental or redetermined annuity unless a deposit is paid after separation, or retirement deductions are withheld. If you are reemployed in a full-time or part-time position, you may elect to have retirement deductions withheld from your pay. The amount of retirement deductions or deposit is a percentage of your basic pay before it is reduced for annuity.

Disability Annuitants

The following are important facts that may affect your future retirement benefits if you are a disability annuitant —

- (1) If you are reemployed on a permanent basis in a position equivalent in grade and pay to the position from which you retired, OPM may find that you have recovered from your disability;
- (2) If you are reemployed subject to medical and physical qualification standards equivalent to those of the position from which you

retired, OPM may find that you have recovered from your disability;

- (3) The pay of the position in which you are reemployed, prior to the offset of annuity, will be included as earnings in determining whether you are restored to earning capacity and your annuity must stop;
- (4) Receipt of, or continued entitlement to receive, full or partial injury compensation benefits from the Department of Labor's Office of Workers' Compensation during reemployment, when those benefits are based on the same injury or medical condition that is the basis for OPM's award of disability retirement, is conclusive evidence (unless there is contravening medical evidence) that you have not recovered from your disability; and
- (5) If you are age 60 or over, your annuity cannot be stopped because of your earnings, and OPM can find that you are recovered only if you request to be found recovered.

Exceptions

Not all of the above rules apply to all reemployed annuitants. If you are reemployed —

- (1) Under special provisions for positions for which there is exceptional difficulty in recruiting or retaining a qualified employee or there is a direct threat to life or property, or other unusual circumstances warranting emergency employment;
- (2) On an interim basis, as a consequence of an administrative or judicial body reviewing the grounds for your separation;
- (3) As a Presidential appointee to a position that is permanent in nature;
- (4) As a former Member of Congress who separated from Congressional service with more

than 5 years of service as a Member of Congress;

- (5) As a justice or judge of the United States, as defined by section 451 of title 28 of the United States Code; or
- (6) Under another retirement system for Federal employees

— you should ask your employing agency for information about special retirement rules that may apply to you.

FERS Election Opportunity

You will be eligible to transfer to FERS, the Federal Employees Retirement System, if you are reemployed after a break in service of more than 3 days and your new appointment is neither temporary nor intermittent.

Federal Employees Health Benefits (FEHB) Program

Annuity Stops

If your annuity stops upon reemployment, your FEHB coverage as an annuitant stops, too. If your appointment is one that gives you eligibility for FEHB coverage, you can enroll in FEHB when you are reemployed.

Annuity Continues

If your annuity continues after you are reemployed, your FEHB coverage as an annuitant continues and withholding of premiums continues to be made from your annuity payment.

Federal Employees Group Life Insurance (FEGLI) Program

Annuity Stops

If your annuity stops upon reemployment, your insurance as an annuitant stops without a right to convert to an individual policy. You acquire life insurance coverage as an employee under the same conditions as any other employee who is rehired in the Federal service. For details, ask your employing office for the publication *Federal Employees' Group Life Insurance, RI 76-21*, which describes the FEGLI Program.

Annuity Continues

If your annuity continues after you are reemployed, you retain the life insurance you have as a retiree. However, if the type of appointment you have makes you eligible for FEGLI coverage as an employee, Basic Life insurance, the Standard Optional insurance, and the Family Optional insurance are suspended. They will be resumed at the same rate when the reemployment ends, except for any applicable reductions that normally begin at age 65.

During your reemployment, you will have Basic Life, Standard Optional, and Family Optional as an employee (including Accidental Death and Dismemberment coverage, where applicable) and withholding of premiums will be made from your pay. The cost of Additional Optional insurance, if you have it, will continue to be withheld from your annuity payment unless you request that it also be suspended so that you can have Additional Optional insurance as an employee. If you choose to have Additional Optional insurance as an employee, you will be subject to the same conditions as other employees who are rehired. Ask your employing office for the publication *Federal Employees' Group Life Insurance, RI 76-21*, which describes the FEGLI Program.

If you die during the period of reemployment, your survivor will receive either the amount of Basic Life insurance you had as an employee or

the amount of the suspended Basic Life you had as an annuitant, whichever is larger. If you have Standard Optional insurance, the amount you have as an employee is the amount payable if you die as a reemployed annuitant. If you have Additional Optional insurance as an employee rather than as an annuitant, the amount you have as an employee is the amount payable if you die as a reemployed annuitant. If you had Additional Optional as an annuitant, that is the amount payable.

Note: If you retire and are reemployed under a temporary appointment without a break in service or a break in service of 3 days or less, you are eligible for FEGLI coverage as an employee. If the break in service before the temporary appointment begins is more than 3 days, you are not generally eligible for FEGLI coverage as an employee.

Caution: Any waiver or declination of insurance you file as a reemployed annuitant will affect your suspended life insurance as an annuitant as well as the coverage you have as an employee.

When you leave the reemployment, you can keep insurance you acquired because of the reemployment if:

- You qualify for a supplemental annuity or you acquire a new annuity right and
- You have had the insurance (or number of multiples, in the case of Additional Optional insurance) as an employee (including the time as a reemployed annuitant) for at least the 5 years of service immediately preceding your separation from the reemployment (or for all periods of service during which you were eligible for the insurance, if less than 5 years).

If you keep insurance you acquired during the reemployment, the suspended insurance of the same type terminates.

***Special Note for Individuals
Who Retired On or After
March 30, 1994, and Who
Received a Voluntary
Separation Incentive***

Public Law 103-226, signed March 30, 1994, requires that an individual who received a voluntary separation incentive (VSI) payment and who comes back to work for the government of the United States within 5 years (including [for non-DoD employees] employment under a personal services contract) must repay the VSI payment. This includes employment with any part of the Federal government including the Department of Defense, even if the employing agency is not covered by other provisions of Pub. L. 103-226 (as, for instance, in the case of employment with the General Accounting Office or the Postal Service). Repayment for reemployment with the Federal government may be waived by the United States Office of Personnel Management only in rare instances where the individual involved possesses unique abilities and is the only qualified person available. There is no authority to approve a waiver of repayment for buyout takers who wish to enter into personal services contracts with the Federal government.

If you retired on or after March 30, 1994, received a VSI payment, and are considering returning to work with any part of the Federal government, ask the agency where you want to work about the effect of reemployment on the payment you received.

