

CSRS

**Civil Service
Retirement
System**

Retirement Facts 12



Information About Reemployment for Civil Service Retirement System Annuitants



**United States
Office of
Personnel
Management**

**Retirement and
Insurance
Service**

Previous edition is usable

RI 83-18
Revised November 1997

Additional retirement information and all publications of the U.S. Office of Personnel Management listed in this pamphlet are available on the Internet.

OPM Website — <http://www.opm.gov/asd>

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Introduction

This brochure is for you if you are under the Civil Service Retirement System (CSRS) and 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 an 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 the U.S. Office of Personnel Management (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 a 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 the Civil Service Retirement System (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 your annuity paid for the period you work. If you do not work full time, the reduction in pay will be adjusted proportionately. There is no reduction for your annuity during a period for which you have elected to receive injury compensation benefits in lieu of an 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.

Civil Service Retirement System 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 by the amount of your 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, the Office of Personnel Management 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, before the reduction for the amount of your 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 the Office of Personnel Management's award of disability retirement, is conclusive evidence (unless there is contra-vening medical evidence) that you have not recovered from your disability.
- (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 rules discussed in this pamphlet apply to all reemployed annuitants. If you are reemployed under any of the following circumstances, you should ask your employing agency about special retirement rules that may apply to you —

- (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.

FERS Election Opportunity

The following general rule about transferring to FERS, the Federal Employees Retirement System, also applies to reemployed annuitants.

You will be eligible to transfer to FERS if you are reemployed after a break in service of more than 3 days and your new appointment is neither temporary nor intermittent. If you want to transfer to FERS, you must do so within 6 months of your reemployment. The FERS Transfer Handbook (RI 90-3) has information about transferring to FERS.

Federal Employees Health Benefits (FEHB) Program

Annuity Stops

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

Annuity Continues

If your annuity continues after you are reemployed, your Federal Employees Health Benefits 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 life 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, read the publication *Federal Employees' Group Life Insurance*, RI 76-21, which describes the FEGLI Program.

Annuity Continues

Continuing the Coverage You Have Had as an Annuitant

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, any Basic Life insurance, Standard Optional, and Family Optional insurance you have as an annuitant are suspended and you will

have the coverage(s) (including Accidental Death and Dismemberment coverage where applicable) as an employee. The value of this insurance will be based on your salary as an employee, and the cost will be withheld from your pay. This happens automatically. These coverages will be resumed at the same rate when the reemployment ends, except for any applicable reductions that normally begin at age 65.

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 RI 76-21, the *Federal Employees' Group Life Insurance (FEGLI)* booklet, which describes the FEGLI program.

Electing Insurance as an Employee

During your reemployment you will automatically get Basic Life Insurance as an employee if the type of appointment you have makes you eligible for coverage. You may also elect any optional coverage unless an uncanceled waiver is still in effect.

If You Die While Employed

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 higher. 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 have 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.

After 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□**

Generally, any employee who received a voluntary separation incentive payment from a Federal agency since March 30, 1994, must repay the entire amount of the incentive to the agency which paid it if the individual is employed by the Government of the United States or if the individual works under a personal services contract with the Government within 5 years of the date of separating for the incentive. Employment includes work with any entity of the Federal government, under any appointment authority, for any duration of time. This includes all branches of Government, independent agencies (such as the U.S. Postal Service), all work schedules (part-time, temporary, term appointments, etc.), experts, consultants, etc. In some extremely rare cases, an agency may request a waiver of the repayment, but generally, there are no exceptions to the repayment requirement.

Because there are several different laws authorizing the payment of Voluntary Separation Incentive Payments, and since many of these laws contain different repayment requirements, if you separated on or after March 30, 1994, received a separation incentive, and are considering returning to work with any part of the Federal government or as a personal services contractor, contact your agency for information about the effect of reemployment on the payment you received.

Additional Information

You may obtain copies of the pamphlets listed below from your personnel office, from OPM's Website (<http://www.opm.gov/asd>), or from OPM ONLINE (OPM's electronic bulletin board) at (202) 606-4800. To access OPM ONLINE, your communications software should be set to the following:

Baud: Up to 28,800
Parity: None
Data bits: 8
Stop bit: 1

The pamphlets in the Retirement Facts Series, which provide more detailed information about the Civil Service Retirement System (CSRS), are:

- ***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 the Civil Service Retirement System (RI 83-3)
- ***Retirement Facts #4*** - Disability Retirement Under the Civil Service Retirement System (RI 83-4)
- ***Retirement Facts #5*** - Survivor Benefits Under the Civil Service Retirement System (RI 83-5)
- ***Retirement Facts #6*** - Early Retirement Under the Civil Service Retirement System (RI 83-6)
- ***Retirement Facts #7*** - Computing Retirement Benefits Under the Civil Service Retirement System (RI 83-7)
- ***Retirement Facts #8*** - Credit for Unused Sick Leave Under the Civil Service Retirement System (RI 83-8)

- **Retirement Facts #9** - Refunds Under the Civil Service Retirement System (RI 83-9)
- **Retirement Facts #10** - Voluntary Contributions Under the Civil Service Retirement System (RI 83-10)
- **Retirement Facts #11** - Information for Separating CSRS Employees Who Are Not Eligible for an Immediate Annuity (RI 83-13)
- **Retirement Facts #12** - Information About Reemployment for Civil Service Retirement System Annuitants (RI 83-18)
- **Retirement Facts #13** - Civil Service Retirement System Offset Retirement (RI 83-19)
- **Retirement Facts #14** - Law Enforcement and Firefighter Civil Service Retirement System Retirement (RI 83-20)

Pamphlets applicable to employees in both the Civil Service Retirement System and Federal Employees Retirement System are:

- Court-Ordered Benefits for Former Spouses (RI 84-1)
- Work-Related Injuries and Fatalities - What You and Your Family Need to Know About Your Benefits (RI 84-2)
- Life Events and Your Retirement and Insurance Benefits (*For Employees*) (RI 84-3)
- Thinking About Retirement? (RI 83-11)

Publications for employees who are under the Federal Employees Retirement System (FERS) are:

- FERS Brochure (*An Overview of Your Benefits*) (RI 90-1)
- **FERS Facts #1** - Information for Separating FERS Employees Who Are Not Eligible for an Immediate Annuity (RI 90-11)

- ***FERS Facts #2*** - Information About Reemployment for FERS Annuitants (RI 90-18)

For employees who are eligible to transfer to the Federal Employees Retirement System:

- FERS Transfer Handbook (A Guide to Making Your Decision) (RI 90-3)

Pamphlets on the Federal Employees Health and Life Insurance Programs are:

- Federal Employees Health Benefits Guide (RI 70-1)
- Temporary Continuation of Coverage (TCC) under the Federal Employees Health Benefits Program (RI 79-27)
- Federal Employees Group Life Insurance Booklet (RI 76-21)

Notes

Notes

Retirement & Insurance Service



Serving over 10 million customers, Federal employees,
annuitants, and their families