Disability Retirement

CHCO Academy

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Overview

• Disability retirement is:
  • An employee benefit
  • Intended for those employees who are unable to complete a normal career due to disease or injury
  • Who meet the statutory, regulatory and/or administrative criteria
Minimum Service Requirement

- **CSRS**
  - 5 years civilian service
  - Must become disabled while serving in a position covered by CSRS
  - CSRS Offset – must apply for Social Security disability benefits and submit proof with application to OPM

- **FERS**
  - 18 months of civilian service
  - Must become disabled while serving in a position covered by FERS
  - Must apply for Social Security and submit proof with application to OPM
Criteria for Entitlement

- Employee must be unable to render useful and efficient service because of disease or injury
  - In current position, or
  - Vacant position in the same agency at the same grade or pay level for which qualified for reassignment
- Disabling condition expected to last at least one year
Factors in Making a Decision

1. Is there a medical condition
2. Is there a deficiency in service
3. Is there a relationship between service deficiency and medical condition
4. Is the condition expected to last at least a year or more
Factors in Making a Decision

5. Was the condition pre-existing
   • Did the condition become disabling while serving in a position covered by CSRS or FERS

6. Can the agency provide reasonable accommodation

7. Can the agency reassign the employee to a vacant position for which qualified
How Does an Employee Apply

• Who may file an application
  • Employee
  • Immediate family members
  • Court-appointed guardians or personal representatives
  • Agency

• Where to File an Application
  • On agency rolls - the application is filed through the agency to OPM
  • Separated for more than 31 days, employee applies directly to OPM (although can be accepted at agency)
Time Limit for Filing an Application

- Application can be filed while is employee is still on the agency rolls
- Application can be filed up to one year from the date of separation
- Timeliness is measured by the date of receipt of the application in OPM or at the agency
- Timeliness requirement can be waived if employee is incompetent
Application Forms

• FERS: SF 3107
  • Revised May 2012, Previous edition unusable after 1/1/13

• CSRS: SF 2801

• All: SF 3112 Parts A-E, Supplement
  • 3112A – Applicant’s Statement
  • 3112B – Supervisors Statement
  • 3112C – Physician’s Statement
  • 3112D – Certification of Reassignment and Accommodation Efforts
  • 3112E - Checklist
Responsibilities

• **Employee:**
  • Completes documents
  • Undergoes examinations
  • Provides proof
  • Meets timeliness deadlines

• **Agency**
  • Assists employee and ensure application is complete
  • Provide annuity estimate
  • Sends packages to OPM

• **OPM**
  • Determines if disabled
  • Adjudicates claim and authorizes annuity payments
Preliminary Application Process

- ROC receives preliminary application package and creates case file
- Disability Branch reviews application to determine if applicant is disabled
  - When required, we develop for additional medical documentation, supervisor statement, etc
  - Notifies applicant and agency of decision
Agency Actions Upon Approval

- Separate employee as soon as practical
  - Usually by the end of the PP in which approval received
  - Can elect to separate after sick leave expires
- Send final SF 2806/3107 and other supporting documents to ROC
Approved Application Process

- Disability Branch receives final IRR and associated documents and authorizes interim pay
- Claims Group 1 reviews package for completeness
  - When required, we develop for missing or discrepant retirement and insurance information
  - When claim is complete, we authorize regular disability payments
Disapproved Application Process

• Disability Branch notifies applicant and agency of specific basis for disallowance and provides reconsideration rights (within 30 days)

• Reconsideration Branch reviews request and affirms or reverses initial decision

• Appeal Avenues
  • MSPB (within 35 days)
  • U.S. Court of Appeals for Federal Circuit
Tips for Submitting Applications

Make sure:

• Medical documentation is complete - must be dated, signed and on physician’s letterhead

• Medical documentation contains specific information to show why the applicant is not able to perform his or her duties and how long restrictions will last

• Medical reports provide specific information

• All referenced enclosures are included in the submission

• Agency physician recommendations (if made) are well documented
Tips for Submitting Applications

• Agency certification of accommodation and assignment efforts is complete
• Supervisory statements agree with statements regarding accommodation and reassignment efforts
• A copy of the position description is included
• For FERS, Certified Summary of Service shows dates employee was on LWOP for OWCP (under P.L. 108-92)
Tips for Submitting Applications

• All fields on application are completed in full:
  • Must indicate disability application in Sect A
  • Workers’ compensation question in Section C of 2801/ Sect F of 3107 must be answered and Schedule C attached, if applicable
  • Survivor election in Section F and D respectively, must be indicated, regardless of marital status
  • Spousal consent must be provided when married applicant elects less than full survivor annuity
  • Election on the application must agree with the spousal consent
  • Court Order question 2 in Section E and C, respectively, must be answered
Post Retirement Actions

• Once approved, disability annuity continues unless:
  • Medical recovery finding is made
    • Medical finding prior to age 60 or by annuitant Request
    • Annuity terminates 1 year from date of examination
  • Restoration to earning capacity
    • Earn 80% of current salary of position retired in calendar year, prior to age 60
    • Annuity terminates 6 months after the year the restoration determination is made for
Reemployed Disability Annuitants

- Disability annuitant can be reemployed in any position qualified
  - Annuity terminates upon Federal reemployment following a recovery or restoration to earning capacity finding
  - Administrative recovery – reemployed at the same grade or pay and tenure of position retired from
    - Annuity terminates end of month in which finding is made (except on workers comp, terminated day prior to reemployment)
    - Salary offset applies prior to termination
Annuity Rights Upon Termination Not Due to Reemployment

- DSR if at least 50 with 20 years of service, 25 years service at any age
- FERS only, MRA+10
- Deferred at 62
- Annuity can be restored prior to age 62 upon:
  - Medical exam showing recurrence of disabling condition
  - First of year after earnings < 80%
Annuity Rights Upon Termination Due To Reemployment

- CSRS annuity can be restored if not entitled to an annuity upon separation
  - Generally only if reemployed more than one year after prior separation and doesn’t meet the “1 out of 2” rule
  - FERS annuity generally can’t be
- Otherwise, entitled to a new annuity right based on the law in effect when separating
  - Immediate or deferred
Workers’ Compensation

- Annuity suspended while in receipt of workers’ compensation

- Credit for service while on workers’ compensation after retirement only allowed if:
  - Disability annuity terminates upon reemployment and new annuity right is earned, or
  - Works 5 continuous years or F/T equivalent and earns redetermined annuity
Questions