

Processing Phased Retirements

February 10, 2014

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More information


- Phased retirement information

<http://www.opm.gov/retirement-services/phased-retirement/>

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Agenda

- What is Phased Retirement
- Eligibility
- How it works
- Processing Phased Retirements

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Who is Eligible to Participate in Phased Retirement?

- Must have been full-time employee for at least 3 years prior to entry in Phased Retirement
- Must be eligible for immediate retirement under specific provisions:
 - CSRS: 30 or more yrs of svc/at least age 55; or 20 or more yrs of svc/at least age 60
 - FERS: 30 or more yrs of svc/at least MRA, or 20 or more yrs of svc/at least age 60

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How Does Phased Retirement Work?

- Currently allows working % of 50 & retirement % of 50
- Is an agreement between employee and agency
- When elected, the employee:
 - Is partially retired and receives about half of their annuity
 - Is employed and works 50% part-time and receives half of their pay
 - 20% of their work time must be spent in mentoring activities

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Employee's Pay During Phased Retirement Status

- Employee receives half of their gross pay
- Gross pay continues to be subject to employee withholdings for FEHB, FEGLI, FEDVIP, FLTCIP, TSP, Federal and State tax, Social Security and Medicare tax, and CSRS or FERS deductions, as appropriate
 - FEHB and FEGLI premiums are the same as a full-time employee



Employee's Annuity During Phased Retirement Status

- Initial annuity computed under CSRS and FERS as if fully retired, then multiplied by Ret %
 - Special computations apply
 - No sick leave credit
 - No FERS Annuity Supplement
- Deposits for military must be paid prior to Phased Retirement
- Re/Deposits for civilian service must be paid prior to finalizing phased retirement case
- Survivor elections are not made until full retirement

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Employee's Annuity at Full Retirement

- Survivor elections are made when applying for full retirement
- Cannot elect to pay deposit/redeposit
- Entitled to Composite Retirement Annuity
 - Initial Phased retirement annuity, increased by applicable COLAs during Phased Retirement; plus,
 - Final phased portion of the full retirement annuity
 - Annuity computed as if employee had worked full-time, including sick leave, then multiplied by Working %

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Effective Date of Election

- Commencing date of annuity and effective date of phased retirement are the same date
- First day of the pay period following an authorized approval or
- First day of a later pay period as specified on the employee's election as long as agency concurs

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Entering into PR NOAC 615

- PR work schedule codes R
- Part-Time hours per week reflects working percentage (50%)
- Required Remarks
 - M11, M12, M13, M14, M15
- Effective date will be posted on IRR as the last action “Employee in Phased Retirement”

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Remarks

- M 11- A Change to the work schedule or the part-time hours worked during phased employment/phased retirement status will result in the termination of phased employment/phased retirement status and phased retirement annuity

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Remarks

- M12- Employee may elect to enter full retirement status at any time by submitting SF 2801 or SF 3107
- M13- If Employee's Phased Retirement terminates for any reason the individual may not re-elect Phased Retirement

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Remarks

- M 14 Employee is required to spend 20% of their time mentoring
- M15 FEHB/FEGLI benefits are not affected by phased employment/
phased retirement

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NOAC 615 OPM Submissions

- NOAC 615 prompts close out IRR effective the retirement date
- Associate Phased Retirement Election Form SF 3116, and appropriate immediate application and IRR and send on register to OPM
- New DEG value for “Annuity Case Type”: 0 (for initial phased retirement)

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NOAC 615 Payroll

- Work schedule R code prompts withholding of FEHB and FEGLI premiums as if phased retiree working full time

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NOAC 615 and the IRR

- Prompts close out on effective date
- The NOA description and effective date should be on this IRR but no contributions for this date
- All service history prior to the effective date of phased retirement should be on the closeout IRR

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NOAC 615 and the IRR

- All agency CY contributions and cumulative totals to (but not including) the effective date of phased retirement
- All LWOP including OWCP LWOP, for any period represented by the IRR
- All intermittent hours/days worked should be posted for any period represented by IRR

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NOAC 615 and the IRR

- All part time hours worked and tour of duty information should be posted for any period represented by IRR
- Notation on whether military deposit was completed at the agency
- Associate close out IRR with retirement application and send on register to OPM

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NOAC 615 and the IRR

- What should NOT be on the close out IRR
 - Federal Employees Group Life Insurance (FEGLI)
 - Federal Employees Health Benefits (FEHB)
 - Unused Sick Leave (USL)
 - Last Day of Pay

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NOAC 615 and the new IRR

- Prompts beginning date on a new IRR that the agency will maintain until the phased retiree fully retires or otherwise separates or transfers
- The same NOAC 615 description and the same effective date as was posted on close out IRR should be posted as the first service action.
- Deductions will begin on this date.

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Data Exchange Gateway (DEG)

- DEG value for “Annuity Case Type 0 (zero) for “initial phased retirement”.

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NOAC 307 and 308

- NOAC 307 Full Retirement Status
- NOAC 308 Full Retirement Status ILIS

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NOAC 307 or 308 Full Retirement

- Change annuitant indicator to phased retirement code listed in Guide to Personnel Data Filed Edits or BAL 14-307
- Provide remarks on SF 50
 - M18 Entitled to composite annuity
 - M19 Certify full time salary for FEGLI

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NOAC 307 and 308 and IRR

- Prompts the close out of IRR effective the retirement date
- Full Retirement Status Voluntary
- Associate appropriate immediate retirement application and IRR and send on a register to OPM
- New DEG value for “Annuity Case Type” 9 (for final phased retirement)

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NOAC 307 308 and IRR

- Close out this IRR per regular process for retirement
- Post mandatory data LDOP, USL, FEHB, FEGLI, and military deposit status
- The only type of military deposit for this separation is one that interrupts this period of service

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NOAC 307

- Submit retirement application
- Use appropriate pamphlet instructions to fill out application SF 2526 or SF 3118
- FEHB and FEGLI documents
- Marriage certificate
- Spousal Consent form

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NOAC 308 ILIA

- Submit retirement application using appropriate pamphlet
- FEHB and FEGLI documents
- Marriage certificate
- Spousal Consent form
- OPM Form 1510
- Notice to phased retiree of involuntary separation

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Opt Out of Phased Retirement and Return to Employment

- NOAC 616 Opt Out Phased Employment/Phased Retirement
- Change to appropriate annuitant indicator
- Required remarks
 - M16 The time spent in PR will be credited as part-time service for annuity
 - M17 Employee's in PR annuity terminated

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NOAC 616 Opt Out

- NOAC noted on IRR but IRR is maintained until employee separates, transfers, retires
- Change work schedule to F
- Use appropriate annuitant indicator
- Fax completed 3116 Part 2a to phasedret@opm.gov



Questions