

Appendix 10

Reemployed Annuitant – A Guide for Employees

Welcome back to the Federal Aviation Administration! Once you retire from the Federal government and subsequently become reemployed by the Federal government, you are in a different category as an employee. If your annuity continues during reemployment, you are considered to be a reemployed annuitant. Each reemployed annuitant has different service histories, different benefits elections, and opportunities. It is vital that you understand all of your entitlements.

This guide is dedicated to provide you with easy to understand basic information related to your benefits as a reemployed annuitant.

About Your Break in Federal Service

A break in Federal civilian service is considered a separation from employment of more than three days. So if you were rehired before the 4th day, there will be no change in your service computation date (SCD) to show the loss of credit for the days separated. It will be as if you had not left Federal service.

About Your Retirement

If you retired on an optional retirement (including air traffic controller (ATC) retirement) your annuity will continue. If your annuity continues, the salary from your job will be offset by the amount of your annuity. Once you are reemployed you will be considered a **reemployed annuitant**.

About the Salary Offset

If your annuity continues, your salary will be offset by the amount of your annuity. The formula for computing the annuity offset for a pay period is as follows:

$$\frac{\text{Gross Monthly Annuity X 12}}{2087 \text{ hours (\# of hours in work year)}} = \text{Hourly Rate of Annuity}$$

$$\text{Hourly Rate of Annuity X Hours of Basic Pay Per Pay Period} = \text{Amount of Offset for the Pay Period}$$

About the Federal Employees Health Benefits (FEHB) Program

If you have FEHB as a retiree and are now hired in a FEHB-eligible position, your FEHB coverage will be transferred back to the FAA from the Office of Personnel Management (OPM).

About the Federal Employees Group Life Insurance (FEGLI) Program

If you have a temporary appointment, your life insurance will be administered by OPM and payment made from your annuity.

About the Thrift Savings Plan (TSP) Program

If you are in a position eligible for retirement, you will also be eligible to contribute to the Thrift Savings Plan (TSP).

About Future Benefits

Reemployment may increase your retirement and death benefits. If you work on a full-time continuous basis for at least one year, (or its equivalent if part-time) you may be entitled to a supplemental annuity. A supplemental annuity means that an annuity is added to your present annuity. If you work for at least 5 years (or part-time equivalent) you may elect a redetermined annuity. A redetermined annuity is one that is recalculated and takes the place of your current annuity.

About Resources

There are a number of resources that you may read to learn more about your Federal benefits as a reemployed annuitant. If you retired under CSRS or CSRS Offset please refer to the pamphlet “Information about Reemployment for CSRS Annuitants” which may be found at: www.opm.gov/forms/pdfimage/RI83-18.pdf. If you retired under FERS please refer to the pamphlet “Information about Employment for Federal Employees Retirement System Annuitants” which may be found at: www.opm.gov/forms/pdfimage/ri90-18.pdf.

Questions and Answers for Reemployed Annuitants

LEAVE

- **Does a reemployed annuitant earn annual leave?** A reemployed annuitant may earn annual leave if the appointment is one that is not excluded from accruing annual leave.
- **When a reemployed annuitant who received a lump sum payment for annual leave is reemployed prior to the expiration of the lump sum period what do you have to do?** He/She must refund an amount equal to the pay covering the period between the date of reemployment and the expiration of the lump sum period. An amount of annual leave equal to the leave represented by the refund is reccredited to the employee.
- **Does the service credited in the retirement annuity count toward the amount of Federal service used to determine a reemployed annuitant's annual leave accrual rate?** All Federal service, including periods prior to the initial retirement and previous periods of reemployment service are included in computing the leave Service Computation Date (SCD) for the annual leave accrual rate for a reemployed annuitant.
- **What happens to any annual leave balance a reemployed annuitant may have when he or she separates from reemployment?** Any annual leave balance that a reemployed annuitant has when he/she separates from reemployment is paid in a lump sum at separation.
- **Does a reemployed annuitant earn sick leave?** Yes if the appointment is one that is not excluded from accruing leave.
- **Does a CSRS annuitant have his or her sick leave restored when reemployed?** Since sick leave was used in the annuity computation to increase the length of service, there is no sick leave to be restored and he/she will have a zero sick leave balance when the reemployment begins.
- **Does a FERS annuitant have his/her sick leave restored when reemployed?** Since the sick leave was not used in the computation of the FERS annuity, it is restored upon reemployment for use while reemployed.
- **Does a FERS annuitant with a CSRS component in the annuity have his/her sick leave restored when reemployed?** Any sick leave that was not used in the annuity computation may be restored upon employment for use while reemployed. This will happen when the sick leave balance at the time of transfer to FERS was less than the balance at the time of retirement.

FEDERAL EMPLOYEES HEALTH BENEFITS (FEHB)

- **What happens to a reemployed annuitant's FEHB coverage?** FAA will have to transfer in the FEHB enrollment unless the position is excluded from FEHB coverage.
- **May an annuitant who does not have FEHB enroll in FEHB as an employee?** Yes provided the job doesn't exclude FEHB coverage.
- **If a reemployed annuitant acquires FEHB coverage upon reemployment, can he/she continue that coverage after the reemployment ends?** *(Assume the annuitant did not have FEHB coverage as an annuitant.)* Yes provided the reemployed annuitant worked long enough to qualify for a supplemental annuity and had FEHB coverage during the last 5 years of employment (including time before and after the original retirement.)

FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI)

- **If an annuitant who has Basic FEGLI returns to work under an appointment that does not exclude coverage, and the annuity continues, what happens to the Basic FEGLI coverage**

upon reemployment? The Basic FEGLI carried as an annuitant is suspended and the Basic FEGLI premiums will not be withheld from the annuity. The reemployed annuitant automatically acquires Basic FEGLI as an employee (including Accidental Death and Dismemberment coverage) and premiums will be withheld from the salary. The FEGLI coverage as an employee is based on the salary rates before the annuity offset.

- **If an annuitant who has Basic FEGLI returns to work under an appointment that excludes FEGLI coverage, and the annuity continues, what happens to the Basic FEGLI coverage upon reemployment?** The Basic FEGLI continues as an annuitant. The reemployed annuitant may not pick up FEGLI as an employee (unless the break between retirement and reemployment is 3 days or less).
- **If an annuitant who has Option A and/or Option C FEGLI returns to work under an appointment that does not exclude FEGLI coverage, and the annuity continues, what happens to that Optional FEGLI coverage upon reemployment?** The Option A and Option C FEGLI carried as an annuitant is suspended and the associated premiums will not be withheld from the annuity. The reemployed annuitant automatically acquires Option A (including Accidental Death and Dismemberment coverage) and/or Option C and premiums will be withheld from the salary.
- **If an annuitant who has Option B FEGLI returns to work under an appointment that does not exclude FEGLI coverage, and the annuity continues, what happens to that Option B FEGLI coverage upon reemployment?** Option B FEGLI continues as an annuitant but the reemployed annuitant has 31 days to decide whether he wants to keep Option B FEGLI as an annuitant or elect to have that coverage as an employee. The Option B coverage as an employee (if applicable) is based on the salary rates before the annuity offset.
- **If an annuitant who has Optional FEGLI returns to work under an appointment that excludes FEGLI coverage, and the annuity continues, what happens to the Optional coverage upon reemployment?** The Optional FEGLI continues as an annuitant. The reemployed annuitant may not pick up Optional FEGLI as an employee (unless the break between retirement and reemployment is 3 days or less).
- **If an annuitant returns to work in a position that does not exclude FEGLI coverage and the annuity continues, can he/she pick up FEGLI coverage if he/she had waived the coverage before retirement?** If the break between retirement and reemployment is at least 180 days, any waiver of Basic coverage is cancelled and the employee may acquire any amount of optional insurance within 31 days of reemployment. If the break between retirement and reemployment is less than 180 days, then the waiver stands and the reemployed annuitant may not acquire FEGLI coverage.
- **If a reemployed annuitant dies while reemployed, what amount of Basic FEGLI will be paid to the annuitant's survivors?** The amount of Basic FEGLI payable will be either the amount suspended as an annuitant, less any post-65 reductions, or the amount carried during reemployment, whichever is higher.
- **If a reemployed annuitant who had Option A and Option B coverage as an employee dies while reemployed what amount of optional coverage will be paid to the annuitant's survivors?** The amount of coverage the reemployed annuitant had as an employee.
- **If a reemployed annuitant who has FEGLI coverage separates from service and is not entitled to a supplemental or redetermined annuity, what happens to the FEGLI coverage?** The FEGLI acquired during reemployment terminates and the suspended annuitant coverage, less any post-65 age reduction, is reinstated.

- **If a reemployed annuitant who has FEGLI coverage separates and is entitled to either a supplemental or redetermined annuity, what happens to the FEGLI coverage?** The FEGLI acquired during reemployment may be continued if eligibility requirements that apply to any employee who retires are met. If the reemployed annuitant is eligible to continue the Basic and Option B FEGLI acquired during reemployment, he/she must choose between that coverage and the suspended coverage, less any post-65 reductions. If the reemployed annuitant is eligible to continue Option A and Option C FEGLI acquired during reemployment, the coverage acquired during reemployment will be continued automatically. If the reemployed annuitant elects to keep the Basic FEGLI acquired during reemployment, he/she must make a new post-65 reduction election on the SF 2818.

AT THE END OF REEMPLOYMENT

- **What is supplemental annuity?** A supplemental annuity means that an annuity is added to your present annuity.
- **How much reemployment service is needed to qualify for a supplemental annuity under CSRS and FERS?** At least one year of actual continuous full-time service or actual continuous part-time service that is equivalent to one year of full-time service.
- **If a reemployed annuitant did not elect to have deductions withheld from salary during reemployment, can he/she get a supplemental annuity benefit (assuming the service requirement is met)?** Yes provided a deposit is paid.
- **What period of reemployment service is used to compute the average salary for a supplemental annuity?** The entire period of reemployment.
- **What part of the General Formula is used to compute a CSRS supplemental annuity benefit?** It depends on the total length of service used in the initial retirement benefit.
- **Is unused sick leave credited in the supplemental annuity computation of a CSRS reemployed annuitant?** Yes. Unused sick leave accrued during reemployment service is credited in the computation of the supplemental annuity.
- **What is a redetermined annuity?** A new retirement benefit payable after reemployment ends that is calculated as if the annuitant were retiring for the first time.
- **How much reemployment service is needed to qualify for a redetermined annuity under CSRS and FERS?** At least five years of actual continuous full-time service or at least five years of actual continuous part-time service that is equivalent to 5 years of full-time service.
- **What type of annuity benefit could a reemployed annuitant with at least five years of actual continuous full-time service receive when the reemployment ends?** A supplemental or redetermined annuity. The individual may choose either one.
- **Is unused sick leave credited in the redetermined annuity computation for a CSRS reemployed annuitant?** Yes. Unused sick leave accrued during reemployment service plus any unused sick leave used in the original retirement calculation is used to compute the redetermined annuity.
- **How is a CSRS redetermined annuity calculated?** It is calculated in the same manner as if the employee retired for the first time under CSRS.
- **How is a FERS redetermined annuity calculated?** It is calculated in the same manner as if the employee retired for the first time under FERS.

- **What period of service is used to compute the average salary for a CSRS or FERS redetermined annuity?** The three-year consecutive period during which the highest salary rates were paid.
- **Can a reemployed annuitant pay a deposit or redeposit for service performed prior to the original retirement (e.g. military service)?** Yes the reemployed annuitant may pay a deposit during reemployment. However, the reemployed annuitant must qualify for and elect a redetermined annuity upon separation from reemployment. Otherwise, the deposit would be refunded.

AIR TRAFFIC CONTROLLER RETIREMENT

- **If an individual retired under the ATC special retirement what will happen if he or she is reemployed in a covered ATC position?** Service performed by a special group reemployed annuitant is not covered by the special ATC retirement provisions. Any reemployed annuitant service credited in the computation of a supplemental or redetermined annuity will be treated as regular service.
- **If an individual is reemployed as a FERS ATC reemployed annuitant will he or she have to pay the additional ½% in ATC retirement contributions?** Yes the reemployed annuitant will have to pay the additional ½% in the ATC retirement contributions.
- **If an individual retired under optional (non-ATC) retirement will he or she be able to earn additional ATC service credit if I am reemployed?** Yes the reemployed annuitant will be eligible to earn ATC retirement service credit if are rehired in a covered position.
- **Will the reemployed annuitant then be able to retire under the ATC retirement when he or she reaches age 50 with 20 years of ATC retirement service credit when I reach 25 years of ATC retirement service credit at any age?** A reemployed annuitant would have to work an additional 5 years for the annuity to be redetermined. At that time the annuity would be recomputed as an ATC retirement if the individual met the age and service requirements to retire as an ATC.

DISABILITY AND OWCP

If a CSRS or FERS annuitant who elected OWCP is reemployed and continues to receive partial OWCP payments, what happens to the annuity? The annuity continues to be suspended due to receipt of OWCP payments and there is no offset to salary.

If a CSRS or FERS disability annuitant who elected OWCP benefits is reemployed under conditions that don't terminate the annuity, can the OWCP time prior to the reemployment be credited in a supplemental or redetermined benefit The time on OWCP does not count in establishing eligibility for a supplemental or redetermined annuity because it is not actual service. The OWCP time cannot count toward a supplemental benefit even if the individual performs 1 year of actual continuous service. The OWCP time will count in the computation of a redetermined annuity provided the reemployment annuitant earns title to a redetermined annuity.