

Appendix 5

NOTICE TO REEMPLOYED CSRS ANNUITANTS

This notice provides you with 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.

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; or
- (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; or
- (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.

Future Benefits

When your annuity stops, you have the same status as any other Federal employee employed in an equivalent position with a similar service history. However, your CSRS annuity will be reinstated after you again leave Federal employment, unless your right to receive that annuity has been terminated by another provision of law, or you are entitled to either an immediate or deferred CSRS or FERS annuity based on this new separation.

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.

Future 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 either a deposit, with interest, is paid, after separation, or retirement deductions are withheld. If you are reemployed in either a full-time or part-time position you may elect to have retirement deductions withheld from your pay. Both retirement deductions and a deposit are a percentage of your basic pay, (7, 7.5, or 8 percent) 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 make such a request.

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.

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 may continue to be withheld from your annuity or, if you elect to participate in premium conversion, your FEHB will be transferred to your Agency and withheld from your salary. Premium conversion is a tax benefit that allows an employee to allot a portion of their salary back to the employer and is used to pay the employee's contribution for FEHB coverage. The allotment is made on a pre-tax basis, which means that the money is not subject to Federal income, Medicare or Social Security taxes. The allotment reduces your taxable income so less tax is withheld. The Government will continue to pay the Government share of premiums.

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 prospective employing office for the publication RI 76-21, Federal Employees' Group Life Insurance, 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 Option, and Family Option as an employee (including Accidental Death and Dismemberment coverage, where applicable) and withholding will be made from your pay. 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, Federal Employees' Group Life Insurance, 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 and Family 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.