



## Department of Energy

Washington, DC 20585

JAN 19 2012

MEMORANDUM FOR HUMAN RESOURCES DIRECTORS

FROM:

  
SARAH J. BONILLA, DIRECTOR  
OFFICE OF HUMAN CAPITAL MANAGEMENT

SUBJECT:

POLICY GUIDANCE MEMORANDUM #24  
REEMPLOYED ANNUITANT BENEFITS

Attached are charts with information on the benefits that affect reemployed annuitants. The different charts are for different hiring authorities. In addition, there's a position paper on annual leave balances that provides more information than the summary information captured on the charts. If you have questions or comments on the attachments, please contact Lynette Johnson by email at [lynette.johnson@hq.doe.gov](mailto:lynette.johnson@hq.doe.gov) or by calling 202-586-5834.

Attachments

cc: Payroll Team



**Reemployed Annuitant's Benefit Entitlements  
Under the Provisions of Title 5 U.S.C. Chapters 83 and 84**

Benefit	Coverage	No Break-in-Service	Break-in-Service	Additional Guidance
<p><b>Federal Employees Health Benefits (FEHB)</b></p>	<p>A reemployed annuitant may retain his/her FEHB coverage, <i>unless</i> one of the following occurred prior to or at the time of reemployment:</p> <ol style="list-style-type: none"> <li>1. if a disabled annuitant and OPM determines that the annuitant has recovered from their disability or been restored to full earnings capacity; or</li> <li>2. if the annuity was based on an involuntary separation and the new appointment is a permanent position (CSRS only),</li> </ol> <p>then their annuity and coverage stops, but the annuitant <i>is eligible</i> to enroll in the FEHB program (and the supplemental Dental and Vision Plans) upon reemployment if the appointment is for more than 1 year; otherwise, an annuitant is <i>not eligible</i> to enroll.</p>	<p>Premiums continue to be deducted from the annuitant's salary.</p>	<p>If coverage was retained and not stopped, then a reemployed annuitant may elect to transfer their benefits to their salary.</p> <p>If the annuitant is eligible to enroll in the FEHB program, then premiums are deducted from their salary.</p>	<p>If the new position conveys FEHB eligibility the servicing HR Office <i>must</i> notify OPM at: <a href="mailto:HBpremiums@OPM.gov">HBpremiums@OPM.gov</a> and provide the annuitant's name, DOB, SSN or CSA number, and the effective date of the reemployment action.</p> <p>Premiums are adjusted from monthly to biweekly amounts when deducted from the annuitant's salary.</p> <p>Reemployed annuitants are eligible for premium conversion (see <a href="http://www.opm.gov/insure/health/reference/premconversion/index.asp">http://www.opm.gov/insure/health/reference/premconversion/index.asp</a>)</p>
<p><b>Federal Employees Group Life Insurance (FEGLI)</b></p>	<p>Basic FEGLI coverage is the same as the FEHB coverage above; however,</p> <ol style="list-style-type: none"> <li>1. Options A and C are suspended while reemployed.</li> <li>2. if their annuity and coverage stops, they are not eligible to convert to an individual policy.</li> </ol> <p>An annuitant is <i>not eligible</i> to start FEGLI upon reemployment regardless of the length of employment.</p>	<p>Premiums continue to be deducted from the annuitant's salary.</p>	<p>If coverage was retained and not stopped, then premiums continue to be deducted from the annuity.</p>	<p><b>An annuitant <i>must</i> have been covered prior to his/her retirement to continue their FEGLI Basic and Option B coverage.</b></p> <p>The servicing HR Office must submit an OPM Form 1482 Agency Certification of Status of Reemployed Annuitant FEGLI to OPM.</p>
<p><b>Flexible Spending Account (FSA) Dependent Care FSA</b></p>	<p>Full-time reemployed annuitant may participate in the FEDSFSA program <i>only</i> if their appointment is one that conveys FEHB eligibility.</p>	<p>If enrolled expenses continue to be applied to the benefit limit. The amount of the benefit may be changed during Open Season.</p>	<p>By law annuitants cannot participate in the FSAFEDS program <i>unless</i> reemployed in a position that conveys FEHB coverage.</p>	<p>No action is needed by the HR office.</p>

Benefit	Coverage	No Break-in-Service	Break-in-Service	Additional Guidance
<b>Retirement (CSRS &amp; FERS)</b>	<p>A reemployed annuitant is <i>not eligible, unless</i></p> <ol style="list-style-type: none"> <li>1. the appointment is to a permanent position, and</li> <li>2. there was a break in service of more than 3 days.</li> </ol> <p>If eligible, an annuitant covered under the CSRS or CSRS Offset retirement system may elect FERS coverage when reemployed.</p>	<p>Not applicable.</p>	<p>Unless a waiver is approved, the annuity is reduced by the amount of the annuity paid while reemployed.</p> <p>If eligible, premiums are deducted from the annuitant's salary.</p>	<p>The servicing HR office must annotate the appropriate codes and remarks in accordance with rules in The Guide to Processing Personnel Actions (see chapters 3 and 9 in the GPAA).</p>
<b>Thrift Savings Plan (TSP)</b>	<p>An annuitant <i>is eligible</i> to participate <i>only</i> if their appointment conveys retirement eligibility.</p> <p>FERS employees will receive agency matching contributions</p>	<p>Not applicable.</p>	<p><i>If eligible</i>, premiums are deducted from the annuitant's salary.</p>	<p><b>Annuitants age 50 or older may also participate in TSP catch-up up to the IRS annual limit.</b></p> <p>No action is needed by the HR office.</p>
<b>Sick Leave CSRS</b>	<p>A reemployed annuitant can earn sick leave.</p> <p>However, when unused sick leave was included in computing the annuity at the time of retirement, the annuitant begins with a zero balance.</p>	<p>New leave accrues.</p>	<p>New leave accrues.</p>	<p>No action is needed by the HR office.</p>
<b>Sick Leave FERS</b>	<p>A reemployed annuitant can earn sick leave.</p> <p>FERS employees retiring between October 28, 2009, and December 31, 2012, will have 50 percent of their unused sick leave credited for annuity purposes.</p> <p>Retirements beginning January 1, 2014, will have all of their unused sick leave computed into their annuity, so the annuitant begins with a zero balance.</p>	<p>New leave accrues.</p> <p>The remaining balance of the total unused sick can be re-credited upon reemployment if a balance is available.</p>	<p>New leave accrues.</p> <p>The remaining balance of the total unused sick can be re-credited upon reemployment if a balance is available.</p>	<p>The servicing HR office <b>must</b> verify and ensure that the remaining 50% of the total unused sick leave is re-credited upon reemployment.</p>

Benefit	Coverage	No Break-in-Service	Break-in-Service	Additional Guidance
<b>Annual Leave</b>	A reemployed annuitant earns leave, <i>unless</i> they are on an intermittent work schedule, in which case they are <i>not eligible</i> .	Annual leave is paid in a lump sum payment at the time of retirement <i>unless</i> stopped by payroll.  If stopped, the annuitant's balance continues as their maximum leave balance while reemployed.  An annuitant will only receive payment for the amount(s) excluded in the exceptions rule (below) if full payment is stopped.	An annuitant must refund the amount of leave remaining before the expiration of the lump sum leave period without any exclusion upon reemployment.  Annual leave is available for use on or after the date that the leave is re-credited	To stop payment, the HR office must notify the DOE Payroll Team of a known immediate reemployment prior to the pay calculation date.

**Annual leave exceptions:**

1. A part-time employee who does not work a regular tour of duty during an administrative workweek; i.e., has an intermittent work schedule, is excluded from the requirement to refund the amount previously paid.
2. Any restored leave balance is excluded from the amount refunded.

**Supplement Annuity:** An annuity added on to the current annuity only if employed continuous for one year or more.

**Redetermined Annuity:** An annuity is recomputed only if reemployment continued for at least 5 years.

**Reemployed Annuitant's Benefit Entitlements  
Under the National Defense Authorization Act for FY-10**

Benefit	Coverage	No Break-in-Service	Break-in-Service	Additional Guidance
<b>Federal Employees Health Benefits (FEHB)</b>	<p>A reemployed annuitant may retain his/her FEHB coverage. When retained, supplemental Dental and Vision Plans may be added, continued, or changed during Open Seasons.</p> <p>An annuitant is <i>not eligible</i> to start FEHB upon reemployment.</p>	<p>Premiums continue to be deducted from the annuitant's salary.</p>	<p>A reemployed annuitant may elect to transfer their premium deductions from their annuity to their salary.</p>	<p>The servicing HR Office <i>must</i> notify OPM at: <a href="mailto:HBpremiums@OPM.gov">HBpremiums@OPM.gov</a> and provide the annuitant's name, DOB, SSN or CSA number, along with the effective date of the reemployment.</p> <p>Premiums are adjusted from monthly to biweekly amounts when deducted from the annuitant's salary.</p> <p>Reemployed annuitants are eligible for premium conversion (see <a href="http://www.opm.gov/insure/health/reference/premconversion/index.asp">http://www.opm.gov/insure/health/reference/premconversion/index.asp</a>)</p>
<b>Federal Employees Group Life Insurance (FGLI)</b>	<p>A reemployed annuitant may retain their Basic FEGLI coverage; however, Options A and C are <i>suspended</i> while reemployed.</p> <p>An annuitant is <i>not eligible</i> to start FEGLI upon reemployment.</p>	<p>Premiums continue to be deducted from the annuitant's salary.</p>	<p>Premiums continue to be withheld from the annuity.</p>	<p>An annuitant <i>must</i> have been covered prior to his/her retirement to continue their FEGLI.</p> <p>The servicing HR Office must submit an OPM Form 1482 Agency Certification of Status of Reemployed Annuitant FEGLI to OPM.</p>
<b>Flexible Spending Account (FSA)</b>  <b>Dependent Care FSA</b>	<p>Reemployed annuitant hired under this authority is not eligible to participate in FEDSFSA program due to appointment restrictions.</p>	<p>N/A</p>	<p>N/A</p>	<p>No action is needed by the HR office.</p>
<b>Retirement (CSRS &amp; FERS)</b>	<p>A reemployed annuitant is <i>not eligible</i> to contribute to a retirement system.</p>	<p>Not applicable.</p>	<p>Not applicable.</p>	<p>No action is needed by the HR office.</p>
<b>Thrift Savings Plan (TSP)</b>	<p>A reemployed annuitant is <i>not eligible</i> to contribute to TSP.</p>	<p>Not applicable.</p>	<p>Not applicable.</p>	<p>No action is needed by the HR office.</p>

Benefit	Coverage	No Break-in-Service	Break-in-Service	Additional Guidance
<b>Sick Leave CSRS</b>	Reemployed annuitant earns sick leave; however, because unused sick leave credit was computed for annuity purposes it cannot be re-credited therefore will begin with no balance. Upon separation any unused leave will be forfeited.	New leave accrues.	New leave accrues.	No action is needed by the HR office.
<b>Sick Leave FERS</b>	<p>A reemployed annuitant earns sick leave.</p> <p>FERS employees retiring between October 28, 2009, and December 31, 2012, will have 50 percent of their unused sick leave computed into their annuity.</p> <p>Retirements beginning January 1, 2014, will have all of their unused sick leave computed into their annuity, so the annuitant begins with no balance.</p>	<p>New leave accrues.</p> <p>The remaining balance of the total unused sick can be re-credited upon reemployment if a balance is available.</p>	<p>New leave accrues.</p> <p>The remaining balance of the total unused sick can be re-credited upon reemployment if a balance is available.</p>	HR offices must verify and ensure that the remaining 50% of the total unused sick leave is re-credited upon reemployment.
<b>Annual Leave</b>	A reemployed annuitant earns leave based on the number of hours worked per pay period, <i>unless</i> they are on an intermittent work schedule, in which case they are <i>not eligible</i> .	<p>Annual leave is paid in a lump sum payment at the time of retirement <i>unless</i> stopped by payroll.</p> <p>If stopped, the annuitant's balance continues as their maximum leave balance while reemployed.</p> <p><i>Note:</i> An annuitant will only receive payment for the amount(s) excluded in the exceptions rule (below) if full payment is stopped.</p>	<p>An annuitant must refund the amount of leave remaining before the expiration of the lump sum leave period without any exclusion upon reemployment.</p> <p>Annual leave is available for use on or after the date that the leave is re-credited</p>	To stop payment, the HR office must notify the DOE Payroll Team of a known immediate reemployment prior to the pay calculation date.

**Annual leave exceptions:**

1. A part-time employee who does not work a regular tour of duty during an administrative workweek; i.e., has an intermittent work schedule, is excluded from the requirement to refund the amount previously paid.
2. Any restored leave balance is excluded from the amount refunded.

**Continuity of coverage rule:** Allows reemployed annuitants to retain their previous coverage while serving in an appointment that excludes them from benefit coverage (such as appointments under this authority).

## **Reemployed Annuitants and Annual Leave Balances**

**General:** In calculating a lump-sum payment at the time an employee retires, an agency projects forward the employee's annual leave for all the workdays the employee would have worked if he or she had remained in Federal service (by law, holidays are counted as workdays in projecting the lump-sum leave period). The calculation of the value of the leave includes any additional pay that the employee would have earned; e.g., a within-grade increase or premium pay.

If an employee is reemployed in the Federal service prior to the expiration of the projected period of annual leave; i.e., the lump-sum leave period, s/he must refund the portion of the lump-sum payment that represents the period between the date of reemployment and the expiration of the lump-sum period when the reemployed annuitant works a regularly scheduled full- or part-time schedule. Recredited annual leave is available for use on or after the date that the leave is recredited. Reemployed annuitants earn leave based on the number of hours worked per pay period at the applicable rate for their position.

Any hours in excess of the regular maximum amount allowable during the leave year prior to being reemployed, e.g., 240 hours for GS-15 or equivalent and below (without any carryover from an overseas tour) or 720 hours for an SES, are included in the amount that must be refunded and recredited if not excluded (see the exceptions section). The recredited leave balance is then reduced by any amount used in excess of the amount that is earned during the leave year(s) while reemployed.

### **Exceptions:**

1. A part-time employee who does not work a regular tour of duty during an administrative workweek; i.e., has an intermittent work schedule, is excluded from the requirement to refund the amount previously paid.
  
2. Any restored leave balance is excluded from the amount refunded.

**Immediate Reemployment:** Any leave balance is automatically paid unless DFAS is notified via the DOE Payroll Team prior to processing the retirement action (see the documentation procedures section). If stopped in time, the employee will only receive payment for the amount(s) excluded in the exceptions section. If not stopped in time, then the employee will be paid for all leave and then required to refund the nonexcluded leave balance. In effect, the employee is deferring payment of his/her lump sum payment until s/he fully retires.

**Delayed Reemployment:** The employee must refund the amount of leave remaining before the expiration of the lump sum leave period without any exclusions upon reemployment. In effect, the employee is treated as if s/he were using their annual leave until they are reemployed. Since

this may take some time to calculate, the availability of the annuitant's full leave balance is likely to be delayed.

**Examples:**

1. A GS-15 who has maintained the maximum carryover hours, not used 100 hours of the 208 hours earned during the year in which the employee retires, and is immediately reemployed will have a leave balance of 340 hours ( $240+100=340$ ) as a reemployed annuitant. If the annuitant earns 120 hours and uses 200 hours during the next leave year while employed, the new ceiling/carryover amount at the beginning of the subsequent leave year would be reduced to 260 hours ( $340+120-200=260$ ).
2. In the first example, if the annuitant uses 100 hours of the 120 hours earned, then 20 hours would be in excess of the employee's allowable ceiling of 340 hours and would be "use or lose" hours that could be donated if the annuitant continues to be employed. However, if the annuitant fully retires by the end of that leave year, then the 20 hours would be included in the payment of the leave balance of 360 hours.
3. An SES who was grandfathered when there was no cap on the maximum number of hours that could be accrued has a regular leave balance of 1,000 hours and 200 hours of restored leave at the end of the leave year and agrees to work under the waiver provisions of the American Recovery and Reinvestment Act of 2009; i.e., 520 hours during the first 6 months and 1,040 hours over the following leave year that would provide 104 hours of additional leave for that year. The employee would be paid for the 200 hours of restored leave upon the initial retirement and carryover the 1000 hours as an annuitant. If the employee didn't use any of the 104 hours earned because of the part-time work schedule, the employee would be paid for 1,104 hours when s/he fully retired at the end of the leave year.

**Documentation Procedures:** To avoid employees being paid for their regular leave balance and having to refund it, HR offices are to provide Paulette Caron of the Payroll Team the following information by email at [Paulette.Caron@hq.doe.gov](mailto:Paulette.Caron@hq.doe.gov) for each employee who will be reemployed **prior to the final pay calculation date for the pay period in which the employee is retiring:**

Full Name:

SSN:

Effective Date of Retirement:

NOAC on Retirement SF-50:

Projected Reemployment Date:

Projected Work Schedule: (full-time or part-time and regular or intermittent)