

DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
Washington, DC 20314-1000

EC 11-2-190

CECO-O

Engineer Circular
No. 11-2-190

1 June 2009

EXPIRES 31 May 2011
Office of Homeland Security
REEMPLOYED ANNUITANT OFFICE PROGRAM

1. Purpose. This circular establishes the policy for reemploying and deploying annuitants for purposes that are in accordance with Public Law 108-136, Section 9902 (j) of title 5, as enacted by Section 1101 of the National Defense Authorization Act for FY 2004 and DoD Instruction Number 1400.25 Volume 300, Subject: Employment of Federal Civilian Annuitants in the Department of Defense dated 10 December 2008.
2. Applicability. It applies to the Reemployed Annuitant Office (RAO) which is organizationally in Headquarters, U. S. Army Corps of Engineers (USACE), Directorate of Contingency Operations (CECO-O). It also applies to all USACE elements, Major Subordinate Commands (MSC), and district commands that use CECO-O to administer this program. It does not apply to employment on the rolls of other USACE organizations, however, the guidance and policies contained in this document may also be used to provide a framework for similar local programs.
3. Distribution Statement. This circular is approved for public release; distribution is unlimited.
4. References.
 - a. Public Law 108-136, Section 9902 (j) of title 5, United States Code, as enacted by Section 1101 of the National Defense Authorization Act for Fiscal Year 2004.
 - b. DoD Instruction Number 1400.25 Volume 300, Subject: Employment of Federal Civilian Annuitants in the Department of Defense dated 10 December 2008. (reference Appendix A).
 - c. Directive-Type Memorandum (DTM) 08-006 “DoD Implementation of Homeland Security Presidential Directive – 12 (HSPD-12) dated 26 November 2008.
 - d. Directive-Type Memorandum (DTM) 08-003, Subject: “Next Generation Common Access Card (CAC) Implementation Guidance” dated 1 December 2008.

This EC supersedes EC 11-2-190 dated 1 August 2007

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e. Memorandum signed by US Army Corps of Engineers Director Human Resources, Subject: Reemployed Annuitant Office (RAO) Program Members Retention of Common Access Card (CAC) dated 30 December 2008.

5. Background. Over the past decade it has become increasingly evident that ways were needed to supplement the USACE regular workforce if the many, varied and often highly technical missions assigned to USACE were to be accomplished in an acceptable and timely manner. The major reasons for this development were: A declining workforce in conjunction with the increasingly vital role that USACE plays in national disaster planning, preparedness and response; the Overseas Contingency Operation (OCO); short term surge requirements; the need for backfill while recruiting to fill permanent positions; project planning and execution provided to other agencies and organizations; and the accelerating exit of highly trained and knowledgeable personnel due to the increasing number of retirements brought about by USACE's aging workforce, and the need for mentors for newer employees. Reemployed annuitant employment was identified as an effective way to meet many of these needs. However it is not intended to replace hiring of permanent employees. Problems recognized as particularly important were:

a. Finding qualified people in a timely manner for difficult to fill positions (as evidenced by historically high turnover, a severe shortage of candidates or other recruiting difficulties).

b. The recurring need for employees with unique or specialized skills or unusual qualifications (example-unique historical and/or technical knowledge of particular equipment, systems or projects).

c. The need, on an increasingly frequent basis, for qualified personnel to supplement the regular Corps workforce to accomplish established missions (examples - disaster preparedness and response, and temporary backfill for employees who deploy overseas in support of the OCO or to complete specific projects or initiatives).

d. The recognition that situations occur where it would be particularly valuable to have an experienced person available to mentor less experienced employees or to provide continuity during critical organizational transitions.

Reference 4 a. provides that reemployed annuitants must receive the appropriate pay rate for the position without a reduction in pay or annuity. As a result, the salary of the annuitant is not offset by the amount of the annuity received for the period of employment.

6. Definitions.

a. Common Access Card (CAC). The Department of Defense (DoD) CAC is the official DoD Federal identification credential that is used for logical and physical access to Federally controlled facilities and information systems once access privileges are granted. As Army civilian employees, all RAO employees are required to obtain a civilian employee CAC. The civilian employee CAC will be issued and/or renewed in accordance with DoD and/or Army Instructions. For RAO employees on a one-year temporary appointment, the civilian employee CAC will be issued for one year. If the employee's appointment is extended, a new civilian employee CAC should be issued with a new expiration date.

b. Eligible Annuitant. For the purpose of the RAO, an eligible annuitant is defined as a former civilian Federal employee who has retired from the competitive or excepted service and is receiving an annuity from the Civil Service Retirement and Disability Fund (CSRS or FERS) or a retired NAF employee who elected to remain in CSRS or FERS and is receiving an annuity from the Civil Service Retirement and Disability Fund. This includes annuitants who have filed a temporary waiver of their annuities with the Office of Personnel Management (OPM). The RAO is not limited to Army civilian annuitants. Annuitants from other agencies may be considered if they demonstrate they have appropriate competitive or excepted status to be eligible for appointment to a position in the Corps of Engineers, and meet the qualifying annuity requirements as described above. In rare cases, for critical shortage category occupations, the RAO may also elect to advertise and consider applications through competitive Delegated Examining Unit (DEU) procedures. Competitive and Excepted Service are defined in 5 U.S.C. 3301 and 2103. Generally, Competitive Service means all civilian positions in the Federal Government that are not specifically excepted from the civil service laws and OPM competitive hiring process. Excepted Service is comprised of positions and agencies that are not required to use OPM's competitive hiring process. Examples of excepted service occupations include attorneys, intelligence and chaplains. Examples of excepted agencies include: Tennessee Valley Authority and the Federal Bureau of Investigations. Excepted agency employees may not move as freely from one government job to another unless that agency has an interchange agreement with OPM or unless the employee has competitive status based on other employment. Some agencies or organizations, such as the Government Accountability Office, are not in the executive branch, but have special statutory provisions which allow conversion or appointment in the competitive service and thereby provide eligibility. Eligibility for the RAO is based on an individual's previous federal status and eligibility to be appointed to a position in the RAO and receipt (or temporary waiver) of a qualifying annuity. Each applicant's employment history will be reviewed on a case by case basis to determine eligibility for the RAO.

c. Ineligible Annuitants. Annuitants are ineligible for the program if any of following apply:

(1) The applicant has received a VSIP (Voluntary Separation Incentive Program) in the past five years (after one year the VSIP can be repaid if the annuitant wishes to be considered, but the full amount of the VSIP must be repaid before any work can be accomplished).

(2) The applicant has a full time (40 hours a week) appointment with another Federal agency. (Note that applicants who hold less than full time appointments with a non-DoD agency may be considered.)

(3) The applicant holds any type of civilian appointment within DoD.

(4) The applicant does not have appropriate civil service eligibility for non-competitive appointment, although in very rare cases, for shortage category occupations, annuitants may be appointed through competitive DEU announcements.

(5) The applicant is currently employed as a contractor or as a member of FEMA's 'Cadre On-Call Response Employees' (COREs) program, unless the applicant can demonstrate that there is no possibility of conflict of interest with the work of the RAO program. To request such consideration, the annuitant must provide the RAO PM with full information regarding the contract or FEMA work. Each case will be decided on an individual basis by the RAO PM with required input from CECC.

d. Intermittent Work Schedule. The work schedule for all members of the RAO is intermittent. Unlike full-time and part-time employees, there is no "regularly scheduled tour of duty." When deployed, the RAs hours of work are determined by the on-site supervisor. Specific information regarding the impact on entitlements under this type of work schedule is contained in Standard Operating Procedure No. CECO-O-1, Reemployed Annuitant Office (RAO) dated 1 June 2009.

e. Non-Tasker Assignments. Any assignment in accordance with DoDI 1400.25 Volume 300, that is not disaster related. Non-tasker requests are normally submitted to the RAO PM by email rather than through ENGLink.

f. Reemployed Annuitant (RA). A civil service annuitant who has accepted a new civil service appointment to return to work as a member of the Corps of Engineers RAO, in accordance with Appendix A.

g. Reemployed Annuitant Office (RAO). A core group of reemployed annuitants assigned to CECO-O who are available for deployment, or to provide support to USACE and other DoD organizations for any of the reasons outlined in paragraph 4.b.(1)-(4) of the Guidance and Procedures section of Appendix A. An annuitant becomes a member of the RAO, and is available for deployment, when all human resource functions, security and medical clearance requirements are completed. The RAO does not provide deployment overseas in support of the Overseas Contingency Operation (OCO). Employment for OCO assignments requires separation from the RAO when hired on OCO rolls.

h. Tasker. An official request in the ENGLink system. Taskers are initially generated by disaster Recovery Field Offices (RFO) or supported District Emergency Operations Centers (EOC) before being released to the supported Division. The Division EOC directs the tasker to its subordinate commands or to the USACE Operations Center (UOC). Each tasker is a request for one person (whether it is for initial assignment or for extension of duty).

i. Temporary Return to Home of Record (HOR) During Extended TDY.

(1) Employees assigned to tasker initiated duty and who are deployed for a period of 60 or more days may be authorized to temporarily return to their home of record after 30 consecutive days of duty (TDY) and after every 30 consecutive days thereafter. The standard period for temporary return to HOR is four days (2 days for travel and 2 days off), but it can be extended for up to 10 days with supervisory approval and in rare and unusual circumstances the RAO Program Manager (PM) may make exceptions to this provision. Scheduling return to HOR must be coordinated with the on-site supervisor.

(2) For employees assigned to non-tasker initiated duty, paid travel for temporary trips home is at the discretion of the office to which the employee is assigned.

7. Policy. It is the policy of USACE to utilize reemployed annuitants to supplement Corps staff, as needed, in accordance with the provisions of DoDI 1400.25 Volume 300 (reference Appendix A). The RAO program is not intended to take the place of hiring permanent employees.

8. Policy Implementation Procedures. The procedures for implementing the policies contained in this EC are spelled out in Standard Operating Procedure (SOP) No. CECO-O-1, Reemployed Annuitant Office (RAO), dated 1 June 2009.

9. Organization and Duties. The Reemployed Annuitant Office (RAO) is organizationally in Headquarters, USACE, Directorate of Contingency Operations.

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It was established to provide support to the U.S. Army Corps of Engineers, on an as needed basis, in accordance with the guidelines established by Appendix A. The RAO program is managed and directed by a Program Manager and support staff organizationally at USACE Headquarters. The Humphreys Engineer Center Support Activity (HECSA) Civilian Personnel Advisory Center (CPAC) performs all human resource functions. HECSA CPAC coordinates with HECSA Security on RA civilian suitability and security issues and processing. HECSA Resource Management (CEHEC-RM) provides resource management support to the program.

a. RAO Program Manager. Manages and directs the program by overseeing recruitment; reviewing applications; determining eligibility for the program; making RA selections; matching taskers with qualified RAO personnel; contacting qualified personnel to determine availability; nominating personnel in ENGLink to fill taskers (selection is done by the office originating the tasker); matching non-tasker initiated requests with RAO personnel; determining RA retention in the program; insuring that adequate funding has been made available by the requesting office; and providing miscellaneous support to deployed and non-deployed RAO personnel.

b. RAO Support Staff. Provides administrative support to the PM and to deployed and non-deployed RAO personnel. This includes, but is not limited to: recruiting; deployment; timekeeping; coordinating all deployment related travel; preparing travel orders; processing travel vouchers and claims; budget planning, analysis and execution; database management; coordination with internal and external funding sources; coordination with the Contract Health Physician; coordination with ACE-IT, HECSA Security and CPAC; and maintaining and storing travel and timekeeping files.

c. PECH-NCR-D (HECSA CPAC). Performs all human resource functions and coordinates with HECSA Security on civilian suitability issues and processing.

d. CEHEC-RM. Provides resource management support to the program, including: funding and funding transfer; payroll Customer Service Representative (CSR) services; Government Travel Credit Card (GTCC) services; and technical advisory services.

e. CEHEC-SH. Processes background investigations (SF85/SF86 through OPM (if required) and provides civilian suitability and security support and serves as a resource on CAC related issues and processing.

10. Conditions of Employment in the RAO. The following describe the conditions of the reemployed annuitant appointment and work schedule, as well as conditions of employment specific to the RAO Program:

a. Annuitants accepting positions in the USACE RAO will be hired as temporary employees with the initial appointment not to exceed 1 year. After the first year, the

appointment can be converted to a term appointment, for an additional 4 years, for a total of 5 years. In unique situations, consideration will be given to use of indefinite appointments for the RAO.

b. All RAO employees are assigned to an intermittent work schedule for the duration of their appointments. The effects of working an intermittent work schedule are explained in SOP No. CECO-O-1, Reemployed Annuitant Office (RAO), dated 1 June 2009.

c. All RAO employees will be hired into the National Security Personnel System (NSPS), or a Wage Grade (WG) or Wage Leader (WL) position. There are no GS, WS, WD, Special Power Rate, or other wage positions in the RAO. The position and pay offered will be set in consideration of the individual's qualifications and experience, including recency, as they relate to the needs of the program and the Corps of Engineer's missions. There is no guarantee that the pay level offered will equal the pay of the pre-retirement position. The RAO Program Manager establishes NSPS pay band and pay, using the NSPS Salary Determination regulations and guidance. WG and WL grades and pay are established in accordance with federal wage system regulations.

d. Since the RAO does not deploy individuals overseas in support of the OCO, any RAO wishing to deploy overseas in support of OCO must be separated from RAO rolls and picked up on OCO rolls. After the OCO deployment, the individual may request to be returned to RAO rolls.

e. All appointments to the RAO require a break in service of at least 3 days if the annuitant currently holds any type of federal civilian appointment, including temporary or term appointments in OCO. The effective date of appointment will not be finalized until all required in-processing paperwork is complete and has been received by HECSA CPAC.

f. All RA applicants and employees must comply with OPM, Army and DoD Suitability and Security requirements for civilians. This may require the applicant or RA employee to complete a new Background Investigation by submitting an SF-85 (Questionnaire for Non-Sensitive Positions) or SF-85P (Questionnaire for Public Trust Positions), or if a security clearance is required, an SF-86 (Questionnaire for National Security Positions), to include fingerprints. Assignments involving secret or other clearances must be coordinated in advance with the appropriate Security Office.

g. RAs must obtain a civilian employee Common Access Card (CAC) after their reemployment personnel action is processed, monitor the expiration date and take timely action to obtain a new civilian employee CAC as needed. This also requires the RA to establish an Army Knowledge On-Line (AKO) email account as part of the CAC process.

The RAO staff will provide instructions to RAO employees on how to obtain an AKO account and civilian employee CAC. Individuals who fail to comply will be removed from the RAO rolls.

h. Medical clearance is required, both on a pre-employment and an annual review basis. This is accomplished by submitting a medical questionnaire for review by the RAO contract physicians, who make final medical determinations for the RAO Program. Medical clearance may be requested and approved for either field or office-only deployments. Additional medical reviews may also be required when an RA's physical or medical condition changes, and eligibility to deploy may be suspended while medical information is being evaluated. RAs are required to notify the RAO PM when any changes occur in their physical or medical condition. Individuals who fail to maintain a current medical clearance through the annual medical review process will be removed from the RAO rolls.

i. RAs are subject to all standard requirements and conditions of Federal employment such as Safety, Standards of Conduct, Ethics, Employee Accountability During Emergencies, EEO, Hatch Act provisions regarding permitted and prohibited political activity for Federal employees, etc. and related training requirements, unless specifically exempted. Harassment of any kind, including sexual harassment, is prohibited.

j. RAs must notify the RAO PM when any situations develop that may be a potential conflict of interest, such as accepting employment with a contractor or with FEMA while an RA employee. Each case will be considered individually by the RAO PM with required input from CECC, to determine if there is a conflict of interest.

11. CAC Requirements for RAO. As Army civilian employees, all RAO members are required to obtain a civilian employee CAC upon appointment, monitor the expiration date, and obtain a new civilian employee CAC upon expiration so that they maintain a valid civilian employee CAC for as long as they remain in the RAO. Normally RAs will not be deployed until they have a civilian employee CAC, unless the receiving installation has made arrangements to issue a CAC upon arrival. All CAC issuing sites will provide support by issuing civilian employee CACs to eligible RAs through the DEERS/RAPIDS system upon submission of proper documentation. Once issued, the civilian employee CAC is to remain in the possession of the RA until it expires or the RA leaves the RAO. The civilian employee CAC will not be surrendered at the end of a temporary deployment unless the card has expired (See Ref 4.e). RAs must insure that the civilian employee CAC is kept safe and secure and is used only for official business. When RAs separate from the RAO, the RAO Program Manager is responsible to ensure that civilian employee CACs are collected in accordance with established procedures. This will be handled as part of the normal personnel out-processing procedures, in coordination with HECSA security.

12. Awards. Exemplary service for the supported organization may be recognized through Honorary Awards or other non-monetary recognition. Due to the unique nature of the RAO, monetary awards are not considered appropriate and will not be authorized.

13. Pay. RAO Employees are subject to all civilian federal employment pay laws, regulations and procedures, based on the classification of their official position, FLSA status, official duty station and their work schedule (intermittent). This includes but is not limited to the various maximum earning limitations:

a. Bi-Weekly Maximum Earnings Limitation. NSPS RAs are subject to the bi-weekly maximum earnings limitation on pay, which provides that premium pay (e.g. overtime) cannot cause the bi-weekly pay to exceed that equivalent to a GS-15 step 10, (including any applicable locality-based comparability payment) or Executive Level V, whichever is greater. A waiver of the bi-weekly pay cap may be authorized by the head of the agency or designee in certain emergency or other critical situations. A bi-weekly waiver is not automatic and must be specifically authorized in writing for the specific event.

b. Annual Maximum Earnings Limitation. NSPS RAs are also subject to the annual maximum earnings limitation not to exceed that of a GS-15 Step 10 (including any applicable locality-based comparability payment) or Executive Level V, whichever is greater. More detailed information is available in SOP No. CECO-O-1, dated 1 June 2009.

c. Aggregate Limitation on Pay. An employee's aggregate compensation received in any given calendar year may not exceed the rate of pay for level I of the Executive Schedule at the end of the calendar year, in accordance with 5 CFR 530.203.

14. Training. RAs may be required to complete certain training to be eligible for deployment. This will be determined on an individual basis, and may consist of either on-line or on-site training.

15. Funding. Funding for the RAO PM, RAO support staff, HECSA CPAC support staff, HECSA Security Staff and HECSA RM Customer Service Representative is from the Overhead Account for RAO, Appropriations (96X4902) or other appropriations consistent with sound fiscal policy. Funding for all RAO staff deployed to field locations is the responsibility of the organization receiving support. Funding for the RAO staff deployed to the field must be transferred via MIPR from the supported organization's RM office to the Headquarters S0 database, for CEHEC-RM processing, prior to deployment.

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16. Implementation. The provisions and policies contained in this EC will be implemented immediately on approval of this document. Authority for any policy or procedure revisions and the development of Standard Operating Procedures is vested with and the responsibility of CECO-O.

FOR THE COMMANDER:

1 Appendix
App A – DoDI 1400.25, Vol 300


EDWARD J. HECKER
Director, Contingency Operations
and Chief, Office of Homeland Security



Department of Defense INSTRUCTION

NUMBER 1400.25, Volume 300
December 10, 2008

USD (P&R)

SUBJECT: DoD Civilian Personnel Management System: Employment of Federal Civilian Annuitants in the Department of Defense

References: See Enclosure 1

1. PURPOSE

a. This Instruction establishes and implements policy, establishes uniform DoD-wide procedures, provides guidelines and model programs, delegates authority, and assigns responsibilities regarding civilian personnel management within the Department of Defense.

b. In accordance with the authority in DoD Directive 5124.02 (Reference (a)), this Volume:

(1) Establishes and implements policy, assigns responsibilities, and provides procedures for employment of Federal civilian annuitants in the Department of Defense in accordance with section 9902(h) of title 5, United States Code (U.S.C.) (Reference (b)).

(2) Cancels Under Secretary of Defense for Personnel and Readiness Memorandums (References (c) and (d)).

2. APPLICABILITY

a. This Volume applies to:

(1) OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense (hereafter referred to collectively as the "DoD Components").

(2) Annuitants receiving an annuity from the Civil Service Retirement and Disability Fund appointed on or after November 25, 2003, in a DoD civilian appropriated fund position in the competitive or excepted service at the General Schedule (GS)-15 level or below (or

equivalent) or the executive level. This includes annuitants who have filed a temporary waiver of their annuities with the Office of Personnel Management (OPM) in accordance with section 8345(d) or 8465(a) of Reference (b).

b. The provisions of this Volume do not apply to:

(1) Annuitants whose disability retirement annuities have been terminated because of recovery or restoration to earning capacity in accordance with section 8337(d) or 8455(a) of Reference (b) prior to or upon appointment to the Department of Defense.

(2) Annuitants receiving annuities from a retirement system not covered by the Civil Service Retirement and Disability Fund (e.g., retirement systems established for non-appropriated fund employees as described in section 2105(c) of Reference (b), the Foreign Service Retirement System).

(3) Former Federal civilian employees who are receiving Office of Workers' Compensation benefits and who did not apply for and are not receiving an annuity from the Civil Service Retirement and Disability Fund.

(4) Annuitants receiving an annuity from the Civil Service Retirement and Disability Fund appointed to the Department of Defense prior to November 25, 2003, including those who subsequently move within the Department through reassignment, promotion, change to lower grade, or transfer between Military Departments and who continue to serve under the provisions of their original appointment.

3. DEFINITIONS. These terms and their definitions are for the purposes of this Volume.

a. annuitant. An individual receiving an annuity from any retirement system or who meets all requirements for entitlement to an annuity and has submitted a claim for retirement.

b. appointment. A personnel action that brings an individual onto the rolls of the Department of Defense (e.g., initial appointment, transfer into the Department of Defense from another Federal agency) or that converts a current employee to another appointment.

c. discontinued service retirement (DSR) annuitant. An annuitant receiving an annuity pursuant to section 8336(d)(1) or 8414(b)(1)(A) of Reference (b) that is based on involuntary separation for reasons other than for cause based on misconduct or delinquency. Examples of involuntary separation include job abolishment, directed reassignment outside the commuting area, and reduction in force.

d. executive-level position. Senior Executive Service, Scientific and Professional, Senior-Level, Defense Intelligence Senior Executive Service, and Defense Intelligence Senior Level pay band positions above the GS-15 level or equivalent and positions in other pay systems classified or paid above the GS-15 level or equivalent.

4. POLICY. It is DoD policy that:

a. Reemployed annuitants shall be used, as needed, to support mission requirements and to help meet the Department's workforce planning challenges. This authority to appoint annuitants shall not be used to solely benefit an annuitant.

b. Annuitants should be hired to meet critical mission needs. Such appointments should be carefully considered keeping in mind the Department's need to ensure a steady pipeline of leadership talent. Circumstances in which it may be appropriate to reemploy an annuitant include but are not limited to:

(1) A position is hard to fill as evidenced by historically high turnover, a severe shortage of candidates, or other significant recruiting difficulty.

(2) A position is critical to accomplish the organization's mission or to complete a specific project or initiative.

(3) An annuitant has unique or specialized skills or unusual qualifications not generally available.

(4) An appointment is for not more than 2087 hours (e.g., 1 year full time or 2 years part time) to mentor less experienced employees and/or to provide continuity during critical organizational transitions.

c. Appointment of annuitants shall be consistent with all applicable laws and regulations including merit system principles.

d. Reemployed annuitants shall continue to receive full annuity and salary upon appointment and shall not be considered employees for the purposes of subchapter III of chapter 83 or of chapter 84 of Reference (b), pursuant to section 9902(h) of Reference (b), except for a DSR annuitant who is appointed to the Department of Defense on or after November 25, 2003, who may elect retirement coverage in accordance with section 9902(h) of Reference (b) and the provisions described in Enclosure 2. (DSR annuitants who are appointed to intermittent appointments are not eligible to elect retirement coverage.)

e. Reemployed annuitants serve at the will of the appointing authority pursuant to section 3323(b)(1) of Reference (b).

f. The Secretaries of the Military Departments and the Heads of the Defense Agencies and DoD Field Activities with independent appointing authority for themselves and their serviced organizations may approve the employment of annuitants covered by this Volume in executive-level positions and positions at the GS-15 level and below (or equivalent). This authority may be delegated, in writing, to the lowest practical level.

5. RESPONSIBILITIES

a. Deputy Under Secretary of Defense for Civilian Personnel Policy (DUSD(CPP)). The DUSD(CPP), under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness, shall:

(1) Provide guidance on matters relating to the employment of annuitants.

(2) Monitor the implementation of this Volume and the employment of annuitants, and establish reporting requirements as necessary.

b. Heads of the DoD Components. The Heads of the DoD Components shall:

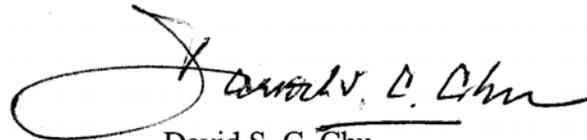
(1) Ensure compliance with this Volume within their Components.

(2) Issue supplemental guidance and procedures as appropriate.

6. PROCEDURES. Enclosure 2 provides procedures and requirements for appointment of Federal civilian annuitants in the Department of Defense covered by this Volume.

7. RELEASABILITY. UNLIMITED. This Volume is approved for public release. Copies may be obtained through the Internet from the DoD Issuances Web Site at <http://www.dtic.mil/whs/directives>.

8. EFFECTIVE DATE. This Volume is effective immediately.



David S. C. Chu
Under Secretary of Defense for
Personnel and Readiness

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ENCLOSURE 1

REFERENCES

- (a) DoD Directive 5124.02, "Under Secretary of Defense for Personnel and Readiness USD(P&R)," June 23, 2008
- (b) Subchapter III of chapter 83; chapter 84; and sections 2105, 3323, 8336, 8337, 8344, 8345, 8414, 8455, 8465, 8468, and 9902 of title 5, United States Code
- (c) Under Secretary of Defense for Personnel and Readiness Memorandum, "Employment of Annuitants," March 18, 2004 (hereby canceled)
- (d) Under Secretary of Defense for Personnel and Readiness Memorandum, "Employment of Annuitants," November 17, 2005 (hereby canceled)
- (e) Subparts B and G of part 330 and part 553 of title 5, Code of Federal Regulations
- (f) Civilian Personnel Management Service Manual, "Department of Defense Priority Placement Program Operations Manual," July 1998¹
- (g) Subchapter 1702 of DoD 1400.25-M, "Civilian Personnel Manual," June 13, 2008
- (h) Office of Personnel Management Guide, "Guide to Processing Personnel Actions," current edition²
- (i) Office of Personnel Management Operating Manual, "Guide to Personnel Data Standards," current edition²
- (j) Subchapter A of chapter 21 of title 26, United States Code
- (k) Office of Personnel Management Handbook, "CSRS and FERS Handbook for Personnel and Payroll Offices," April, 1998³

¹ Available through the Internet at <http://dayton.cpms.osd.mil/public/manindex.cfm>.

² Available through the Internet at <http://www.opm.gov/feddata/guidance.asp>.

³ Available through the Internet at <http://www.opm.gov/asd/htm/hod.htm>.

ENCLOSURE 2

PROCEDURES

1. GENERAL INFORMATION

a. When delegated, managers and supervisors shall apply the authority to appoint annuitants to carry out mission requirements in accordance with this Volume. Supporting human resources offices shall follow these procedures in implementing this Volume.

b. The DoD Components may fill positions with reemployed annuitants on a time-limited or permanent basis depending on mission and work needs.

c. When an annuitant covered by this volume is being reemployed within 90 days after retirement to a position in the same organization, and in the same or substantially similar position held prior to retirement, the authorized approving official shall ensure that appropriate retention options were considered and offered, if available and as applicable, prior to the employee's retirement.

d. When filling a vacancy with an annuitant in accordance with subparts B and G of part 330 of title 5, Code of Federal Regulations (Reference (e)); part 553 of Reference (e); and Civilian Personnel Management Service Manual (Reference (f)), the provisions of the DoD Reemployment Priority List, the Interagency Career Transition Assistance Plan, and the DoD Priority Placement Program shall apply, as appropriate.

e. An annuitant who previously separated pursuant to the authority of the Voluntary Separation Incentive Pay Program may not be reemployed in the Department of Defense:

(1) Within 12 months after separation unless the Secretary of Defense or designee has approved a waiver of this requirement.

(2) Within 5 years following separation unless the separation incentive is repaid or the Secretary of Defense or designee has approved a waiver of this requirement based upon a finding that the individual involved is the only qualified applicant available for the position.

f. Further guidance concerning reemployment restrictions and repayment waivers is provided in section 9902(g) of Reference (b) and subchapter 1702 of DoD 1400.25-M (Reference (g)).

2. REEMPLOYED ANNUITANTS APPOINTED PRIOR TO NOVEMBER 25, 2003

a. Annuitants appointed prior to November 25, 2003, who are subject to salary offset shall continue to serve under the provisions of their appointment and their salary shall be offset by the amount of the annuity received for the period of reemployment. This applies even if the

reemployed annuitant subsequently moves to another position through promotion, reassignment, change to lower grade or pay band, or transfer between Military Departments, provided he or she remains under the original appointment.

b. Annuitants appointed prior to November 25, 2003, who are receiving full salary and annuity based on an exception approved by OPM, or by the Department of Defense through OPM-delegated authority pursuant to section 553 of Reference (e), shall continue to receive full salary and annuity for the period specified in the waiver.

3. REEMPLOYED ANNUITANTS APPOINTED ON OR AFTER NOVEMBER 25, 2003

a. Annuitants other than DSR annuitants hired on or after November 25, 2003, shall not have their salary offset by the amount of the annuity received for the period of reemployment in accordance with section 9902(h) of Reference (b). These individuals shall receive full salary and annuity during the period of reemployment; they shall not be considered employees for the purposes of subchapter III of chapter 83 or chapter 84 of Reference (b) (e.g., ineligible for retirement deductions, ineligible to participate in the Thrift Savings Plan); and their period of reemployment shall not be creditable for a supplemental or redetermined annuity.

b. According to section 9902(h) of Reference (b), supporting human resources offices shall give DSR annuitants who are reemployed in the Department of Defense on or after November 25, 2003, the opportunity to elect coverage pursuant to section 8344 or 8468 of Reference (b), as appropriate, in lieu of receiving full salary and annuity.

(1) For Civil Service Retirement System (CSRS) and CSRS-offset DSR annuitants, such an election shall:

(a) Terminate the annuity if the appointment is one that would normally be subject to retirement deductions (e.g., career, career-conditional).

(b) Continue the annuity and require that the salary be offset by the amount of annuity that applies to the period of reemployment if the appointment is normally not subject to retirement deduction (e.g., temporary).

(c) Allow the reemployed annuitant to make retirement contributions and participate in the Thrift Savings Plan as appropriate.

(d) Allow the reemployed annuitant to be eligible for a supplemental or redetermined annuity as appropriate.

(e) Allow the reemployed annuitant to elect retirement coverage under the Federal Employees Retirement System (FERS) if reemployment is in an appointment normally subject to retirement deductions and the individual has more than a 3-day break in service.

(2) For FERS DSR annuitants such an election shall, regardless of the appointment type:

- (a) Continue the annuity.
- (b) Require that the salary be offset by the amount of annuity that applies to the period of reemployment.
- (c) Require that FERS retirement and social security deductions be withheld from the salary.
- (d) Allow the reemployed annuitant to participate in the Thrift Savings Plan.
- (e) Allow for a supplemental or redetermined annuity if eligibility criteria are met during the reemployment period.

c. Supporting human resources offices shall use Appendix 1 to notify CSRS and CSRS-offset DSR reemployed annuitants of their election rights. They shall use Appendix 2 to notify FERS DSR reemployed annuitants. They shall provide this notice to such employees promptly and within the timeframes prescribed by the Civilian Personnel Management Service upon the effective date of this Volume.

(1) DSR reemployed annuitants shall have 90 days from the date of notification to file their elections. Elections must be received by the supporting human resources office within this 90-day period.

(2) Elections shall be effective beginning on the first day of the first pay period after the election is filed with the authorized official in the supporting human resources office.

(3) Reemployed DSR annuitants who do not timely file an election shall receive full annuity and salary as described in paragraph 3.a. of this enclosure and in accordance with section 9902(h) of Reference (b).

4. DOCUMENTATION REQUIREMENTS. Supporting human resources offices shall:

a. Include this statement in vacancy announcements to advise annuitants of the impact of reemployment in the Department of Defense:

“In accordance with section 9902(h) of title 5, United States Code, annuitants reemployed in the Department of Defense shall receive full annuity and salary upon appointment. They shall not be eligible for retirement contributions, participation in the Thrift Savings Plan, or a supplemental or redetermined annuity for the reemployment period. Discontinued service retirement annuitants (i.e., retired under section 8336(d)(1) or 8414(b)(1)(A) of title 5, United States Code) appointed to the Department of Defense may elect to be subject to retirement provisions of the new appointment as appropriate. (See DoD Instruction 1400.25, Volume 300, at <http://www.dtic.mil/whs/directives>.)”

b. Document appointments of annuitants covered by this Volume including assuring that personnel actions are correctly coded.

(1) The nature of action and first legal authority on the Standard Form (SF)-52, "Request for Personnel Action," and SF-50, "Notification of Personnel Action," shall reflect the type of appointment action being taken (e.g., reinstatement, temporary appointment based on reinstatement) as specified in OPM Guide (Reference (h)). The second legal authority code shall be "ZLM" and the authority text shall read: "5 U.S.C. 9902(h)" to reflect the statutory authority granted to the Department of Defense for reemployed annuitants.

(2) The SF-52 and SF-50 shall include a remark that the annuitant serves at the will of the appointing officer.

(3) The annuitant indicator code in the Defense Civilian Personnel Data System (DCPDS) shall reflect that the reemployed annuitant is not subject to salary offset as specified in OPM Operating Manual (Reference (i)), EXCEPT for DSR reemployed annuitants whose retirement election effects a different annuity and salary status. The annuitant indicator code shall be updated as appropriate in these cases in accordance with References (h) and (i).

(4) The retirement plan code in DCPDS shall reflect that the reemployed annuitant is excluded from retirement coverage and is subject only to the provisions of subchapter A of chapter 21 of title 26, U.S.C. (Reference (j), commonly known as the "Federal Insurance Contributions Act (FICA)") (i.e., "2 – FICA Only") as specified in Reference (i).

(5) The retirement plan code shall be updated as appropriate to reflect elections received from reemployed DSR annuitants. If an election is received after the entry-on-duty date, a "change in retirement plan" personnel action (i.e., nature of action code 803) shall be processed. The legal authority code and text of this action shall be "ZLM" and "5 U.S.C. 9902(h)." The effective date of the personnel action shall be the first day of the first pay period following receipt of the election form by the servicing human resources office.

c. Retain all documentation related to the appointment of DoD reemployed annuitants.

(1) Retirement election forms shall be retained on the right side of employee's official personnel folder.

(2) All documentation related to the approval, justification, and notification of benefits shall be retained on the left side of the reemployed annuitant's official personnel folder. This documentation shall be removed when the annuitant is no longer employed in the Department of Defense unless otherwise stated in this Volume.

d. Provide a copy of the notification to the reemployed annuitant regarding his or her benefits (i.e., Appendixes 1 and 2 for DSR reemployed annuitants or other appropriate form for non-DSR re-employed annuitants in accordance with chapter 100 of OPM Handbook (Reference (k))).

e. Forward a copy of the appointment SF-50 or change in retirement plan SF-50, whichever is effective later, to OPM at the address below to ensure appropriate processing of the annuitant's benefits resulting from reemployment.

OPM ROC
P.O. Box 45
Boyers, PA 16017

Appendixes

1. Providing Notice to Reemployed CSRS and CSRS-Offset DSR Annuitants
2. Providing Notice to Reemployed FERS DSR Annuitants

APPENDIX 1 TO ENCLOSURE 2

PROVIDING NOTICE TO REEMPLOYED CSRS
AND CSRS-OFFSET DSR ANNUITANTS

Supporting human resource offices shall use the format provided in Figure 1 and DD Form 2937, “Election of Retirement Coverage for Reemployed Civil Service Retirement System (CSRS) and CSRS-Offset Discontinued Service Retirement (DSR) Annuitants,” to notify CSRS and CSRS-offset reemployed annuitants of their retirement election rights. DD Form 2937 is available on the DoD Forms Management Program Web Site at <http://www.dtic.mil/whs/directives/infomgt/forms/formsprogram.htm>. It shall be completed and signed by the reemployed annuitant.

Figure 1. Notice Format for CSRS and CSRS-Offset DSR Annuitants

[Insert current date]
NOTICE TO REEMPLOYED CIVIL SERVICE RETIREMENT SYSTEM (CSRS) AND CSRS-OFFSET DISCONTINUED SERVICE RETIREMENT (DSR) ANNUITANTS
Please read this information carefully.
This notice provides you with important information about how your reemployment in the Department of Defense will affect your DSR annuity and future retirement benefits. At the end of the notice, you will be asked to make an election concerning your retirement coverage during the reemployment period as allowable based on your type of appointment (e.g., career, temporary). You will have 90 days from the date of this notice to file your election with the human resources (HR) office identified at the bottom of this notice. THE ELECTION MUST BE RECEIVED BY THE HR OFFICE WITHIN THIS 90-DAY PERIOD. Elections will be effective the first day of the first pay period following receipt of the enclosed election form in the HR office (i.e., elections are not retroactive).
Section 1101 of Public Law (P.L.) 108-136, “National Defense Authorization Act for Fiscal Year 2004,” November 24, 2003, granted the Secretary of Defense the authority to reemploy annuitants receiving an annuity from the Civil Service Retirement and Disability Fund without a reduction in pay or of the annuity. This authority was codified in what was at the time section 9902(j) of title 5, United States Code (U.S.C.). It allowed reemployed annuitants to receive full salary and annuity; however, it did not allow them eligibility for retirement deductions, participation in the Thrift Savings Plan, or a redetermined annuity or supplemental annuity based on the reemployment period. This had unintended consequences upon DSR annuitants who may have had to take a reduction in their annuity if they did not meet the age and service requirements for an immediate annuity at the time of their involuntary separation. These DSR annuitants were not able to earn retirement credit for their reemployment service with the Department of Defense pursuant to P.L. 108-136.
As a result, section 1106 of P.L. 110-181, “National Defense Authorization Act for Fiscal Year 2008,” January 28, 2008, amended DoD reemployed annuitant authority to allow DSR reemployed annuitants the opportunity to elect retirement contributions and earn further retirement credit, as appropriate, in lieu of receiving full salary and annuity. The election opportunity applies to DSR reemployed annuitants appointed on or after November 25, 2003, and who are currently on DoD rolls. Until a DSR reemployed annuitant’s election is received by the authorized official and becomes effective, he or she will receive full annuity and salary and will be unable to receive credit for future retirement benefits. This authority is currently codified in section 9902(h) of title 5, U.S.C.

Figure 1. Notice Format for CSRS and CSRS-Offset DSR Annuitants, continued

The below information is provided to assist you in making your election decision. Your retirement election decision will be irrevocable while you are employed in the Department of Defense without a break in service (i.e., separation of 3 days or less). DSR reemployed annuitants who do not make an election will receive full salary and annuity and will not be able to earn retirement credit for the period of reemployment with the Department of Defense in accordance with section 9902(h) of title 5, U.S.C.

NOTE: EMPLOYEES ON INTERMITTENT WORK SCHEDULES ARE NOT ELIGIBLE FOR FEHB OR FEGLI OR ELIGIBLE TO PARTICIPATE IN A RETIREMENT SYSTEM.

ELECTION OPTION BASED ON PERMANENT (CAREER) APPOINTMENT

1. Your annuity will stop. Your annuity may be reinstated after you again leave Federal employment, or you may be entitled to either an immediate or deferred annuity based on the new separation.
2. CSRS or CSRS-offset retirement deductions, as appropriate, will be withheld from your pay unless you are on an intermittent work schedule.
3. If you have more than a 3-day break in service since your retirement date, you may elect to be covered under the Federal Employees Retirement System unless you are on an intermittent work schedule.
4. You may enroll for Federal Employee Health Benefits (FEHB) coverage. Any FEHB coverage you have as an annuitant will stop due to the termination of your annuity.
5. You may enroll for Federal Employees Group Life Insurance (FEGLI) coverage. Any FEGLI coverage you have as an annuitant will stop due to the termination of your annuity.
6. You may enroll in the Thrift Savings Plan.

ELECTION OPTION BASED ON TERM APPOINTMENT

1. Your annuity will continue.
 2. Your pay will be reduced by the amount of annuity paid for the period you work (e.g., if you work part-time, the reduction in pay will be adjusted proportionately).
 3. You may elect to have CSRS or CSRS-offset retirement deductions, as appropriate, withheld from your pay, or you may elect to make a deposit of the retirement contributions for the reemployment service when you separate unless you are on an intermittent work schedule.
 4. You may be eligible for a supplemental or redetermined annuity based on how long you work.
- INTERMITTENT SERVICE CANNOT BE COUNTED IN ESTABLISHING ELIGIBILITY FOR A SUPPLEMENTAL OR REDETERMINED ANNUITY.
5. Your FEHB coverage as an annuitant will terminate so that you may take advantage of premium conversion (PC). If you wish to waive premium conversion, you will have 60 calendar days from the date of your reemployment to request a waiver.
 6. If you do not have FEHB coverage as an annuitant, you may elect coverage under the new appointment.
 7. Your Basic FEGLI coverage as a retiree will be suspended; however, you will have Basic coverage as an employee with withholdings computed based on your salary. Any Standard Optional (Option A) and Family Optional (Option C) coverage that you have as a retiree will also be suspended and will be converted as an employee election. If you do not have Option A or C and you have been separated for more than 180 days, you may elect Option A or C. If you have Additional Optional coverage (Option B), you must elect either to obtain Option B as an employee or to retain this option as a retiree. If you do not have Option B as an annuitant, you may elect it as an employee if you have been separated for more than 180 days.
 8. You are eligible to participate in the Thrift Savings Plan if you elect to have retirement deductions withheld from your pay.

Figure 1. Notice Format for CSRS and CSRS-Offset DSR Annuitants, continued

ELECTION OPTION BASED ON TEMPORARY APPOINTMENT

1. Your annuity will continue.
2. Your pay will be reduced by the amount of annuity paid for the period you work (e.g., if you work part-time, the reduction in pay will be adjusted proportionately).
3. You may elect to have CSRS or CSRS-offset retirement deductions, as appropriate, withheld from your pay, or you may elect to make a deposit of the retirement contributions for the reemployment service when you separate unless you are on an intermittent work schedule.
4. You may be eligible for a supplemental or redetermined annuity based on how long you work.
INTERMITTENT SERVICE CANNOT BE COUNTED IN ESTABLISHING ELIGIBILITY FOR A SUPPLEMENTAL OR REDETERMINED ANNUITY.
5. You are not eligible to elect FEHB coverage under a temporary appointment unless you are reemployed within 3 days or less from the date of your retirement and you were enrolled in FEHB as an employee prior to your retirement.
6. Your FEHB coverage as an annuitant will terminate so that you may take advantage of premium conversion (PC). If you wish to waive premium conversion, you will have 60 calendar days from the date of your reemployment to request a waiver.
7. You are not eligible to elect FEGLI coverage under a temporary appointment unless you are reemployed within 3 days or less from the date of your retirement and you were enrolled in FEGLI as an employee prior to your retirement.
8. If you have FEGLI coverage as an annuitant, that coverage will continue (i.e., withholdings will continue from your annuity payment).
9. You are eligible to participate in the Thrift Savings Plan if you elect to have retirement deductions withheld from your pay.

You must use the enclosed form (“Election of Retirement Coverage for Reemployed Civil Service Retirement System (CSRS) and CSRS-Offset Discontinued Retirement (DSR) Annuitants”) to make your retirement election. You have 90 days from the date of this notice to file your election with the HR office. **THE ELECTION MUST BE RECEIVED WITHIN THIS 90-DAY PERIOD.** If it is not received within this timeframe, you will automatically receive your full annuity and salary and will not be able to receive credit towards future retirement benefits for the period of reemployment with the Department of Defense. Elections that are received within the 90-day period will be effective the first day of the first pay period following receipt in the HR office. Elections will not be retroactive. Please return your election form to:

[Insert HR office name and address]

If you have questions concerning the information in this notice, please contact [insert HR office point of contact information].

Figure 2. Sample DD Form 2937, “Election of Retirement Coverage for Reemployed Civil Service Retirement System (CSRS) and CSRS-Offset Discontinued Service Retirement (DSR) Annuitants”

ELECTION OF RETIREMENT COVERAGE FOR REEMPLOYED CIVIL SERVICE RETIREMENT SYSTEM (CSRS) AND CSRS-OFFSET DISCONTINUED SERVICE RETIREMENT (DSR) ANNUITANTS <small>(As authorized by section 9902(h) of title 5, United States Code)</small>	
PRIVACY ACT STATEMENT	
<p>AUTHORITY: 5 U.S.C. 301, Departmental Regulations; 5 U.S.C. Chapters 83, 84, and 99; 5 U.S.C. 9902(h)(2), Provisions Relating to Reemployment; and DoD Instruction 5400.25, DoD Civilian Personnel Management System: Volume 300, Employment of Federal Civilian Annuitants in the Department of Defense.</p> <p>PRINCIPAL PURPOSE(S): To determine and allow present or future benefits and to establish a system of records to provide Human Resource Information and system support for the DoD civilian workforce worldwide. Specifically, to document the retirement coverage selected by reemployed CSRS discontinued service retirement annuitants.</p> <p>ROUTINE USE(S): The DoD "Blanket Routine Uses" apply.</p> <p>DISCLOSURE: Voluntary; however, failure to provide the requested information may result in a missed opportunity to elect retirement coverage.</p>	
<p>1. I, _____, <small>(Reemployed Annuitant's Full Name)</small></p> <p>have read the "Notice to Reemployed Civil Service Retirement System (CSRS) and CSRS-Offset Discontinued Service Retirement (DSR) Annuitants" and elect the retirement coverage checked in the box below. I understand that my election is irrevocable as long as I am employed with the Department of Defense without a break in service (i.e., separation from Federal employment of 3 days or less). I also understand that this election will not be retroactive and will become effective the first day of the first pay period following receipt of this form in the human resources office stated on the notice.</p>	
<p>2. <small>(X one box only)</small> S A M P L E</p>	
<input type="checkbox"/>	<p>a. I elect full annuity and salary during this period of reemployment with the Department of Defense. I understand that this means that no retirement deductions will be made from my salary nor will I have the ability to pay a deposit for such deductions upon separation; that I will be ineligible to participate in the Thrift Savings Plan; that this period of service is ineligible for retirement credit; and that I will be ineligible for a supplemental or redetermined annuity upon separation.</p>
<input type="checkbox"/>	<p>b. FOR REEMPLOYED DSR ANNUITANTS ON PERMANENT APPOINTMENTS ONLY. I elect that my annuity be terminated and that I have CSRS or CSRS-Offset retirement deductions, as appropriate. I understand that this means that my annuity will be terminated during the period of my reemployment; that my annuity may be reinstated after I again leave Federal employment, or I may be entitled to either an immediate or deferred annuity based on my new separation; that retirement deductions will be withheld from my pay; that I may elect to be covered under the Federal Employees Retirement System (FERS) if I have more than a 3-day break in service since my retirement date; and that I am eligible to participate in the Thrift Savings Plan.</p>
<input type="checkbox"/>	<p>c. FOR REEMPLOYED DSR ANNUITANTS ON TERM APPOINTMENTS ELECTING RETIREMENT DEDUCTIONS FROM PAY. I elect salary offset and CSRS or CSRS-Offset retirement deductions from my pay, as appropriate. I understand that this means that my annuity will continue; that my pay will be reduced by the amount of annuity paid for my period of reemployment; that retirement deductions will be withheld from my pay; that I may be eligible for a supplemental or redetermined annuity based on how long I work during the reemployment period; and that I am eligible to participate in the Thrift Savings Plan.</p>
<input type="checkbox"/>	<p>d. FOR REEMPLOYED DSR ANNUITANTS ON TERM APPOINTMENTS NOT ELECTING RETIREMENT DEDUCTIONS FROM PAY. I elect salary offset and NOT to have CSRS or CSRS-Offset retirement deductions from my pay. I understand that this means that my annuity will continue; that my pay will be reduced by the amount of annuity paid for my period of reemployment; that upon my separation I may make a deposit for my period of reemployment to obtain retirement credit; that I may be eligible for a supplemental or redetermined annuity based on how long I work during the reemployment period; and that I am not eligible to participate in the Thrift Savings Plan.</p>
<input type="checkbox"/>	<p>e. FOR REEMPLOYED DSR ANNUITANTS ON TEMPORARY APPOINTMENTS ELECTING RETIREMENT DEDUCTIONS FROM PAY. I elect salary offset and CSRS or CSRS-Offset retirement deductions from my pay, as appropriate. I understand that this means that my annuity will continue; that my pay will be reduced by the amount of annuity paid for my period of reemployment; retirement deductions will be withheld from my pay; that I may be eligible for a supplemental or redetermined annuity based on how long I work during the reemployment period; and that I am eligible to participate in the Thrift Savings Plan.</p>
<input type="checkbox"/>	<p>f. FOR REEMPLOYED DSR ANNUITANTS ON TEMPORARY APPOINTMENTS NOT ELECTING RETIREMENT DEDUCTIONS FROM PAY. I elect salary offset and NOT to have CSRS or CSRS-Offset retirement deductions from my pay. I understand that this means that my annuity will continue; that my pay will be reduced by the amount of annuity paid for my period of reemployment; that upon my separation I may make a deposit for my period of reemployment to obtain retirement credit; that I may be eligible for a supplemental or redetermined annuity based on how long I work during the reemployment period; and that I am not eligible to participate in the Thrift Savings Plan.</p>
<p>3. REEMPLOYED ANNUITANT'S SIGNATURE</p>	<p>4. DATE SIGNED (YYYYMMDD)</p>

APPENDIX 2 TO ENCLOSURE 2

PROVIDING NOTICE TO REEMPLOYED FERS DSR ANNUITANTS

Supporting human resource offices shall use the format provided in Figure 3 and (Figure 4) to notify FERS reemployed annuitants of their retirement election rights. DD Form 2938, available on the DoD Forms Management Program Web Site at <http://www.dtic.mil/whs/directives/infomgt/forms/formsprogram.htm>, shall be completed and signed by the reemployed annuitant.

Figure 3. Notice Format for FERS DSR Annuitants

[Insert current date]
NOTICE TO REEMPLOYED FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS) DISCONTINUED SERVICE RETIREMENT (DSR) ANNUITANTS
Please read this information carefully.
This notice provides you with important information about how your reemployment in the Department of Defense will affect your DSR annuity and future retirement benefits. At the end of the notice, you will be asked to make an election concerning your retirement coverage during the reemployment period. You will have 90 days from the date of this notice to file your election with the human resources (HR) office identified at the bottom of this notice. THE ELECTION MUST BE RECEIVED BY THE HR OFFICE WITHIN THIS 90-DAY PERIOD. Elections will be effective the first day of the first pay period following receipt of the enclosed election form in the HR office (i.e., elections are not retroactive).
Section 1101 of Public Law (P.L.) 108-136, "National Defense Authorization Act for Fiscal Year 2004," November 24, 2003, granted the Secretary of Defense the authority to reemploy annuitants receiving an annuity from the Civil Service Retirement and Disability Fund without a reduction in pay or of the annuity. This authority was codified in what was at the time section 9902(j) of title 5, United States Code (U.S.C.). It allowed reemployed annuitants to receive full salary and annuity; however, it did not allow them eligibility for retirement deductions, participation in the Thrift Savings Plan, or a redetermined annuity or supplemental annuity based on the reemployment period. This had unintended consequences upon DSR annuitants who may have had to take a reduction in their annuity if they did not meet the age and service requirements for an immediate annuity at the time of their involuntary separation. These DSR annuitants were not able to earn retirement credit for their reemployment service with the Department of Defense pursuant to P.L. 108-136.
As a result, section 1106 of P.L. 110-181, "National Defense Authorization Act for Fiscal Year 2008," January 28, 2008, amended DoD reemployed annuitant authority to allow DSR reemployed annuitants the opportunity to elect retirement contributions and earn further retirement credit, as appropriate, in lieu of receiving full salary and annuity. The election opportunity applies to DSR reemployed annuitants appointed on or after November 25, 2003, and who are currently on DoD rolls. Until a DSR reemployed annuitant's election is received by the authorized official and becomes effective, he or she will receive full annuity and salary and will be unable to receive credit for future retirement benefits. This authority is currently codified in section 9902(h) of title 5, U.S.C.

Figure 3. Notice Format for FERS DSR Annuitants, continued

The below information is provided to assist you in making your election decision. Your retirement election decision will be irrevocable while you are employed in the Department of Defense without a break in service (i.e., separation of 3 days or less). DSR reemployed annuitants who do not make an election will receive full salary and annuity and will not be able to earn retirement credit for the period of reemployment with the Department of Defense in accordance with section 9902(h) of title 5, U.S.C.

NOTE: EMPLOYEES ON INTERMITTENT WORK SCHEDULES ARE NOT ELIGIBLE FOR FEHB OR FEGLI OR ELIGIBLE TO PARTICIPATE IN A RETIREMENT SYSTEM.

ELECTION OPTION (REGARDLESS OF APPOINTMENT TYPE)

1. Your annuity will continue.
2. Your pay will be reduced by the amount of annuity paid for the period you work (e.g., if you work part-time, the reduction in pay will be adjusted proportionately).
3. FERS retirement and social security deductions will be withheld from your pay, as appropriate. FERS retirement deductions cannot be withheld from your pay if you are reemployed on an intermittent work schedule.
4. You may be eligible for a supplemental or redetermined annuity based on how long you work. Intermittent service cannot be counted in establishing eligibility for a supplemental or redetermined annuity.

FEDERAL EMPLOYEES HEALTH BENEFITS (FEHB)

1. Your FEHB coverage as an annuitant (if applicable) will continue (i.e., withholdings will continue from your annuity payment), or you may elect to transfer your enrollment to your agency so that you may take advantage of Premium Conversion (PC).
2. If you do not have FEHB coverage as an annuitant, you may elect coverage if your new appointment normally allows for FEHB coverage (e.g., permanent, term).
3. You are not eligible to elect FEHB coverage under a temporary appointment unless you are reemployed within 3 days or less from the date of your retirement and you were enrolled in FEHB as an employee prior to your retirement.

FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI)

1. If you have FEGLI coverage as an annuitant and your new appointment normally allows for FEGLI coverage (e.g., permanent, term):
 - a. Your Basic FEGLI coverage as a retiree will be suspended.
 - b. You will have Basic coverage as an employee with withholdings computed based on your salary.
 - c. Any Standard Optional (Option A) and Family Optional (Option C) coverage that you have as a retiree will also be suspended and will be converted as an employee election.
 - d. If you do not have Option A or C and you have been separated for more than 180 days, you may elect Option A or C.
 - e. If you have Additional Optional coverage (Option B), you must elect whether to obtain Option B as an employee or elect to retain this option as a retiree.
 - f. If you do not have Option B as an annuitant, you may elect it as an employee if you have been separated for more than 180 days.
2. If you do NOT have FEGLI coverage as an annuitant, you may elect coverage if your new appointment normally allows for FEGLI coverage (e.g., permanent, term).
3. If your new appointment is temporary and you have FEGLI coverage as an annuitant, that coverage will continue (i.e., withholdings will continue from your annuity payment).
4. You are not eligible to elect FEGLI coverage under a temporary appointment unless you are reemployed within 3 days or less from the date of your retirement and you were enrolled in FEGLI as an employee prior to your retirement.

Figure 3. Notice Format for FERS DSR Annuitants, continued

THRIFT SAVINGS PLAN. You may enroll in the Thrift Savings Plan.

You must use the enclosed form (“Election of Retirement Coverage for Reemployed Federal Employees Retirement System (FERS) Discontinued Service Retirement (DSR) Annuitants”) to make your retirement election. You have 90 days from the date of this notice to file your election with the HR office. **THE ELECTION MUST BE RECEIVED WITHIN THIS 90-DAY PERIOD.** If it is not received within this timeframe, you will automatically receive your full annuity and salary and will not be able to receive credit towards future retirement benefits for the period of reemployment with the Department of Defense. Elections that are received within the 90-day period will be effective the first day of the first pay period following receipt in the HR office. Elections will not be retroactive. Please return your election form to:

[Insert HR office name and address]

If you have any questions concerning the information in this notice, please contact [insert HR office point of contact information].

Figure 4. Sample DD Form 2938, "Election of Retirement Coverage for Reemployed Federal Employees Retirement System (FERS) Discontinued Service Retirement (DSR) Annuitants"

ELECTION OF RETIREMENT COVERAGE FOR REEMPLOYED FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS) DISCONTINUED SERVICE RETIREMENT (DSR) ANNUITANTS <i>(As authorized by section 9902(h) of title 5, United States Code)</i>	
PRIVACY ACT STATEMENT	
<p>AUTHORITY: 5 U.S.C. 301, Departmental Regulations; 5 U.S.C. Chapters 83, 84, and 99; 5 U.S.C. 9902(h)(2), Provisions Relating to Reemployment; and DoD Instruction 5400.25, DoD Civilian Personnel Management System: Volume 300, Employment of Federal Civilian Annuitants in the Department of Defense.</p> <p>PRINCIPAL PURPOSE(S): To determine and allow present or future benefits and to establish a system of records to provide Human Resource information and system support for the DoD civilian workforce worldwide. Specifically, to document the retirement coverage selected by reemployed FERS discontinued service retirement annuitants.</p> <p>ROUTINE USE(S): The DoD "Blanket Routine Uses" apply.</p> <p>DISCLOSURE: Voluntary; however, failure to provide the requested information may result in a missed opportunity to elect retirement coverage</p>	
<p>1. I, _____, _____.</p> <p style="text-align: center;"><i>(Reemployed Annuitant's Full Name)</i> <i>(Date of Birth - YYYYMMDD)</i></p> <p>have read the "Notice to Reemployed Federal Employees Retirement System (FERS) Discontinued Service Retirement (DSR) Annuitants" and elect the retirement coverage checked in the box below. I understand that my election is irrevocable as long as I am employed with the Department of Defense without a break in service (i.e., separation from Federal employment of 3 days or less). I also understand that this election will not be retroactive and will become effective the first day of the first pay period following receipt of this form in the human resources office stated on the notice.</p> <p style="text-align: center; font-size: 2em; letter-spacing: 0.5em;">S A M P L E</p>	
<p>2. <i>(X one box only)</i></p>	
<input type="checkbox"/>	<p>a. I elect full annuity and salary during this period of reemployment with the Department of Defense. I understand that this means that no retirement deductions will be made from my salary, nor will I have the ability to pay a deposit for such deductions upon separation; that I will be ineligible to participate in the Thrift Savings Plan; that this period of service is ineligible for retirement credit; and that I will be ineligible for a supplemental or redetermined annuity upon separation.</p>
<input type="checkbox"/>	<p>b. I elect salary offset and FERS and social security deductions from my pay, as appropriate. I understand that this means that my annuity will continue; that my pay will be reduced by the amount of annuity paid for my period of reemployment; that FERS and social security deductions will be withheld from my pay, as appropriate; that I may be eligible for a supplemental or redetermined annuity based on how long I work during the reemployment period; and that I am eligible to participate in the Thrift Savings Plan.</p>
<p>3. REEMPLOYED ANNUITANT'S SIGNATURE</p>	<p>4. DATE SIGNED (YYYYMMDD)</p>