



## DoD INSTRUCTION 1400.25, VOLUME 300

# DoD CIVILIAN PERSONNEL MANAGEMENT SYSTEM: EMPLOYMENT OF FEDERAL CIVILIAN ANNUITANTS IN THE DoD

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**Purpose:** This issuance is composed of several volumes, each containing its own purpose. In accordance with the authority in DoD Directives 5124.02 and 1400.25:

- This instruction establishes and implements policy, establishes procedures, provides guidelines and model programs, delegates authority, and assigns responsibilities regarding civilian personnel management within the DoD.
- This volume establishes policy, assigns responsibilities, and prescribes requirements for the employment of Federal civilian annuitants, pursuant to Section 9902(g) of Title 5, United States Code (U.S.C.), and in accordance with DoD Directive 1400.25.

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## SECTION 1: GENERAL ISSUANCE INFORMATION

### 1.1. APPLICABILITY.

This volume:

a. 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 Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).

(2) Annuitants from the Civil Service Retirement and Disability Fund (CSRDF) 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 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 Section 8465(a) of Title 5, U.S.C.

b. Does 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 Section 8455(a) of Title 5, U.S.C., before or upon appointment to the DoD.

(2) Annuitants from a retirement system not covered by the CSRDF (e.g., retirement systems established for nonappropriated fund employees as described in Section 2105(c) of Title 5, U.S.C., or the Foreign Service Retirement System).

(3) Former Federal civilian employees who are receiving Office of Workers’ Compensation benefits and did not apply for and do not receive an annuity from the CSRDF.

(4) Annuitants from the CSRDF appointed to the DoD before November 25, 2003, including those who subsequently:

(a) Move within the DoD through reassignment, promotion, change to lower grade, or transfer between Military Departments.

(b) Continue to serve under the provisions of their original appointment.

## **1.2. POLICY.**

The DoD:

a. Utilizes reemployed annuitants, as needed, to support mission requirements and to help meet DoD workforce planning challenges. Appointments will be based on mission needs and not be exclusively for annuitants' benefit.

b. Hires annuitants to meet critical mission needs and carefully considers such appointments, keeping in mind the need to ensure a steady pipeline of DoD leadership talent. Circumstances in which it may be appropriate to reemploy an annuitant include, but are not limited to:

(1) Hard to fill positions as evidenced by historically high turnover, a severe shortage of candidates, or other significant recruiting difficulty.

(2) Positions critical to accomplishing the organization's mission or to completing a specific project or initiative.

(3) Annuitants who have unique or specialized skills or unusual qualifications not generally available.

(4) Appointments that are no longer than 2087 hours (e.g., 1 year full-time or 2 years part-time at 40 hours per pay period) to mentor less experienced employees or provide continuity during critical organizational transitions.

c. Appoints annuitants in accordance with all applicable laws and regulations, including merit system principles.

## **SECTION 2: RESPONSIBILITIES**

### **2.1. ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND RESERVE AFFAIRS.**

Under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness, the Assistant Secretary of Defense for Manpower and Reserve Affairs has overall responsibility for the development of DoD civilian personnel policy covered by this volume.

### **2.2. DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR CIVILIAN PERSONNEL POLICY.**

Under the authority, direction, and control of the Assistant Secretary of Defense for Manpower and Reserve Affairs, the Deputy Assistant Secretary of Defense for Civilian Personnel Policy supports the development of civilian personnel policy covered by this volume and monitors its execution by DoD Components, ensuring consistent implementation and application throughout the DoD.

### **2.3. DIRECTOR, DEPARTMENT OF DEFENSE HUMAN RESOURCES ACTIVITY.**

Under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness and in addition to the responsibilities in Paragraph 2.4., the Director, Department of Defense Human Resources Activity supports the Deputy Assistant Secretary of Defense for Civilian Personnel Policy, as appropriate, in executing the duties and responsibilities of this volume.

### **2.4. DOD COMPONENT HEADS.**

The DoD Component heads:

- a. Ensure compliance with this volume within their respective Components.
- b. Issue supplemental Component guidance and procedures in accordance with this volume.

### **2.5. SECRETARIES OF THE MILITARY DEPARTMENTS AND DIRECTORS OF DEFENSE AGENCIES AND DOD FIELD ACTIVITIES WITH INDEPENDENT APPOINTING AUTHORITY.**

In addition to the responsibilities in Paragraph 2.4., the Secretaries of the Military Departments and the Directors of 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.

## **SECTION 3: ANNUITANT APPOINTMENT GUIDELINES**

### **3.1. GENERAL INFORMATION.**

a. When delegated, managers and supervisors appoint annuitants to carry out mission requirements in accordance with this volume. Servicing civilian human resources offices (HROs) carry out the procedures in 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. Reemployed annuitants serve at the will of the appointing authority pursuant to Section 3323(b)(1) of Title 5, U.S.C. As an at will employee, reemployed annuitants can be separated at any time for any legitimate reason. Employees will be notified within a reasonable time when a temporary or term appointment will be ended before the not to exceed (NTE) or a permanent appointment will be ended.

d. Reemployed annuitants continue to receive full annuity and salary upon appointment and are not considered employees in accordance with Sections 8301 and 8401 of Title 5, U.S.C., and pursuant to Section 9902(g) of Title 5, U.S.C., except for discontinued service retirement (DSR) annuitants who:

(1) Are appointed to the DoD on or after November 25, 2003, and may elect retirement coverage in accordance with Section 9902(g) of Title 5, U.S.C. and the provisions described in this section. DSR annuitants appointed to intermittent appointments are not eligible to elect retirement coverage.

(2) Return to employment and work longer than 1 year. They lose their right to return to DSR because they earn a right to a new annuity.

e. When annuitants covered by this volume are reemployed within 90 days after retirement to a position in the same organization and in the same or substantially similar position held before their retirement, managers and supervisors must ensure appropriate retention options were considered and offered, if available and as applicable, before the employee's retirement.

f. When filling a vacancy with an annuitant in accordance with Subparts B, F, and G of Part 330 of Title 5, Code of Federal Regulations (CFR); Part 553 of Title 5, CFR; and the Defense Civilian Personnel Advisory Service's Department of Defense Priority Placement Program Handbook, the provisions of the DoD Reemployment Priority List, the Interagency Career Transition Assistance Plan, and the DoD Priority Placement Program will apply, as appropriate.

g. Annuitants who received a payment under the Voluntary Separation Incentive Program are subject to the restrictions found in Enclosure 3, Paragraphs 2.d.(1) and 2.d.(2) of Volume 1702 of DoD Instruction 1400.25.

h. Further guidance concerning reemployment restrictions and repayment waivers is in Section 9902(g) of Title 5, U.S.C., and Volume 1702 of DoD Instruction 1400.25.

### **3.2. REEMPLOYED ANNUITANTS APPOINTED BEFORE NOVEMBER 25, 2003.**

#### **a. Salary Offset.**

Annuitants appointed before November 25, 2003 who are subject to salary offset must continue to serve under their appointment's provisions, and their salary is offset by the amount of the annuity received for that 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 they remain under the original appointment.

#### **b. Full Salary Exceptions.**

Annuitants appointed before November 25, 2003 who receive full salary and annuity based on an exception approved by OPM, or by the DoD through OPM-delegated authority pursuant to Part 553 of Title 5, CFR, continue to receive full salary and annuity for the period specified in the waiver.

### **3.3. REEMPLOYED ANNUITANTS APPOINTED ON OR AFTER NOVEMBER 25, 2003.**

#### **a. Non-DSR Annuitants.**

Non-DSR annuitants appointed on or after November 25, 2003, will not have their salary offset by the amount of the annuity received for the period of reemployment in accordance with Section 9902(g) of Title 5, U.S.C. Periods of reemployment are not creditable for a supplemental or redetermined annuity. These individuals:

(1) Receive full salary and annuity during the period of reemployment.

(2) Are not considered employees for the purposes of Sections 8301 and 8401 of Title 5, U.S.C. (e.g., ineligible for retirement deductions, ineligible to participate in the Thrift Savings Plan (TSP)).

#### **b. DSR Annuitants.**

In accordance with Section 9902(g) of Title 5, U.S.C., servicing HROs must give DSR annuitants who are reemployed in the DoD on or after November 25, 2003 the opportunity to elect coverage pursuant to Section 8344 or Section 8468 of Title 5, U.S.C., as appropriate, in lieu of receiving full salary and annuity.

**(1) Civil Service Retirement System (CSRS) and CSRS Offset DSR Annuitants.**

For CSRS and CSRS offset DSR annuitants, this election will:

- (a) Terminate the annuity if the appointment 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 reemployed annuitants to make retirement contributions and participate in the TSP, as appropriate.
- (d) Allow reemployed annuitants to be eligible for a supplemental or redetermined annuity, as appropriate.
- (e) Allow reemployed annuitants 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) FERS DSR Annuitants.**

For FERS DSR annuitants, such an election will, regardless of the appointment type:

- (a) Continue the annuity.
- (b) Require an offset of the salary by the amount of annuity that applies to the period of reemployment.
- (c) Require the withholding of the FERS retirement and social security deductions from the salary.
- (d) Allow reemployed annuitants to participate in the TSP with agency matching based on the full salary before the offset.
- (e) Allow for a supplemental or redetermined annuity if eligibility criteria are met during the reemployment period.

**(3) Retirement Election Timelines.**

Servicing HROs must follow the procedures in Paragraphs 4.2. and 4.3. to notify DSR reemployed annuitants of their election rights.

- (a) DSR reemployed annuitants have 90 days from the date of notification to file their elections. The servicing HRO must receive elections within this 90-day period.

(b) If no election is made within 90 days for a CSRS, CSRS offset, or FERS DSR reemployed annuitant, full annuity and salary will be received with no eligibility to receive credit for future retirement benefits.

(c) Elections are effective beginning on the first day of the first pay period after filing the election with the authorized official in the servicing HRO.

(d) Reemployed DSR annuitants who do not file a timely election will receive full annuity and salary as described in Paragraph 3.3.a. and in accordance with Section 9902(g) of Title 5, U.S.C.

## SECTION 4: HRO PROCEDURES

### 4.1. PERSONNEL ACTION REQUIREMENTS.

Servicing HROs must:

a. Include the statement in Figure 1 in vacancy announcements to advise annuitants of reemployment in the DoD's impact.

**Figure 1. Vacancy Announcement Statement**

In accordance with Section 9902(g) of Title 5, United States Code (U.S.C.), annuitants reemployed in the DoD will receive full annuity and salary upon appointment. They will 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 in accordance with Section 8336(d)(1) or Section 8414(b)(1)(A) of Title 5, U.S.C.) appointed to the DoD may elect to be subject to retirement provisions of the new appointment as appropriate.

b. Document appointments of annuitants covered by this volume and ensure 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," must reflect the type of appointment action being taken (e.g., "reinstatement," "appointment NTE," "term appointment NTE") as specified in the OPM Guide to Processing Personnel Actions. An additional legal authority code and legal authority must be "ZLM" and the authority text will read "5 U.S.C. 9902(g)" to reflect statutory authority granted to the DoD for reemployed annuitants.

(2) The SF-52 and SF-50 must 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 must reflect that reemployed annuitants are not subject to salary offset as specified in the OPM Guide to Personnel Data Standards, **except** for DSR reemployed annuitants whose retirement election effects a different annuity and salary status. Update the annuitant indicator code as appropriate in these cases in accordance with the OPM Guide to Processing Personnel Actions and OPM Guide to Personnel Data Standards.

(4) The retirement plan code in the Defense Civilian Personnel Data System must reflect that reemployed annuitants are excluded from retirement coverage and are subject only to the provisions of Subchapter A of Chapter 21 of Title 26, U.S.C., also known as the "Federal Insurance Contributions Act," **except** for DSR reemployed annuitants whose retirement election effects a different annuity and salary status.

(5) Update the retirement plan code as appropriate in accordance with the OPM Guide to Processing Personnel Actions and OPM Guide to Personnel Data Standards to reflect elections received from reemployed DSR annuitants. If an election is received after the entry-on-duty date, process a “change in retirement plan” personnel action (i.e., nature of action code 803). The legal authority code and legal authority for this action are “ZLM” and “Section 9902(g) of Title 5, U.S.C.,” respectively. The effective date of the personnel action is the first day of the first pay period after the servicing HRO receives the election form.

c. Retain all documentation related to the appointment of DoD reemployed annuitants, pursuant to DoD Instruction 5015.02.

(1) File retirement election forms on the permanent side of the employee’s official personnel folder.

(2) File all documentation related to the approval, justification, and notification of benefits on the temporary side of the reemployed annuitant’s official personnel folder. Remove this documentation when the annuitant is no longer employed in the DoD unless otherwise stated in this volume.

d. Provide a copy of the notification to the reemployed annuitant regarding their benefits using the formats in Figures 2 and 3 for DSR reemployed annuitants, or other appropriate forms for non-DSR re-employed annuitants, in accordance with Chapter 100 of the OPM Handbook.

e. To ensure appropriate processing of the annuitant’s benefits that result from reemployment, forward a copy of the appointment SF-50, or change in retirement plan SF-50, whichever is effective later, along with the Notification to OPM of Reemployment of Annuitant form to OPM at: [ReemployedAnnuitant@opm.gov](mailto:ReemployedAnnuitant@opm.gov).

#### **4.2. PROVIDING NOTICE TO REEMPLOYED CSRS AND CSRS OFFSET DSR ANNUITANTS.**

Servicing HROs must use the sample format provided in Figure 2 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 at <https://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd2937.pdf>. The reemployed annuitant must complete and sign the DD Form 2937.

## Figure 2. Sample 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 DoD 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 HR office must receive your election 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. Elections are not retroactive. If no election is made within 90 days for a CSRS, CSRS offset reemployed annuitant, full annuity and salary will be received with no eligibility to receive credit for future retirement benefits.

Section 1101 of Public Law (PL) 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. Formerly codified in Section 9902(j) of Title 5, United States Code (U.S.C.), this authority 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 (TSP), or a redetermined annuity or supplemental annuity based on the reemployment period. This had unintended consequences for 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 DoD pursuant to PL 108-136.

As a result, Section 1106 of PL 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 the authorized official receives a DSR reemployed annuitant's election and becomes effective, they 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(g) of Title 5, U.S.C.

The information below will assist you in making your election decision. Your retirement election decision will be irrevocable while you are a DoD employee 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 DoD in accordance with Section 9902(g) of Title 5, U.S.C.

**Note: Employees on intermittent work schedules are not eligible for Federal Employees Health Benefits (FEHB) or Federal Employees Group Life Insurance (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 coverage under Federal Employees Retirement System unless you are on an intermittent work schedule.
4. You may enroll for FEHB coverage. Any FEHB coverage you have as an annuitant will stop due to the termination of your annuity.
5. You may enroll for FEGLI coverage. Any FEGLI coverage you have as an annuitant will stop due to the termination of your annuity.
6. You may enroll in TSP.

**Figure 2. Sample Notice Format for CSRS and CSRS Offset DSR Annuitants,  
Continued**

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. 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 TSP if you elect to have retirement deductions withheld from your pay.

ELECTION OPTION BASED ON TEMPORARY APPOINTMENT

1. Your annuity will continue.
2. Your pay is reduced by the amount of annuity paid for the period you work (e.g., if you work part-time, the reduction in pay is 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 retirement contribution 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 eligible to elect FEHB coverage under a temporary appointment if the appointment conveys eligibility. If the appointment conveys eligibility and you have FEHB coverage as an annuitant, the annuitant coverage will terminate and be transferred to the agency so you may take advantage of premium conversion. If the position does not convey eligibility and you have FEHB coverage as an annuitant, the coverage will remain with the Office of Personnel Management.
6. Your FEHB coverage as an annuitant will terminate so that you may take advantage of premium conversion. 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 TSP if you elect to have retirement deductions withheld from your pay.

You must use DD Form 2937 “Election of Retirement Coverage for CSRS and CSRS Offset 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 90 days, you will automatically receive your full annuity and salary and will not be able to receive credit toward future retirement benefits for the period of reemployment with DoD. Elections 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].

### 4.3. PROVIDING NOTICE TO REEMPLOYED FERS DSR ANNUITANTS.

Servicing HROs must use the sample format provided in Figure 3 to notify FERS reemployed annuitants of their retirement election rights. The reemployed annuitant must complete and sign DD Form 2938, “Election of Retirement Coverage for FERS DSR Annuitants”, available at <https://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd2938.pdf>.

**Figure 3. Sample Notice Format for Reemployed FERS DSR Annuitants**

<p style="text-align: center;">SAMPLE NOTICE TO REEMPLOYED FERS DSR ANNUITANTS</p> <p style="text-align: center;"><b>Please read this information carefully.</b></p> <p>This notice provides you with important information about how your reemployment in DoD will affect your discontinued service retirement (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. <b>The HR office must receive the election within this 90-day period.</b> Elections will be effective the first day of the first pay period following receipt of the enclosed election form in the HR office. Elections are not retroactive. If no election is made within 90 days for a Federal Employees Retirement System (FERS) DSR reemployed annuitant, full annuity and salary will be received with no eligibility to receive credit for future retirement benefits.</p> <p>Section 1101 of Public Law (PL) 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. Formerly codified in Section 9902(j) of Title 5, United States Code (U.S.C.), it allows reemployed annuitants to receive full salary and annuity. However, it does not allow them eligibility for retirement deductions, participation in the Thrift Savings Plan (TSP), 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 DoD pursuant to PL 108-136.</p> <p>As a result, Section 1106 of PL 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 the authorized official receives the DSR reemployed annuitant’s election and it becomes effective, they 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(g) of Title 5, U.S.C.</p> <p>The information below will assist you in making your election decision. Your retirement election decision will be irrevocable while you are employed in DoD 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 DoD in accordance with Section 9902(g) of Title 5, U.S.C.</p> <p><b>Note: Employees on intermittent work schedules are not eligible for Federal Employees Health Benefits (FEHB) or Federal Employees Group Life Insurance (FGLI) or eligible to participate in a retirement system.</b></p> <p><u>ELECTION OPTION (REGARDLESS OF APPOINTMENT TYPE)</u></p> <ol style="list-style-type: none"><li>1. Your annuity will continue.</li><li>2. Your pay is 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).</li><li>3. FERS retirement and social security deductions are withheld from your pay, as appropriate. FERS retirement deductions cannot be withheld from your pay if you are reemployed on an intermittent work schedule.</li><li>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.</li></ol>
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### Figure 3. Sample Notice Format for Reemployed FERS DSR Annuitants, Continued

#### 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.
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 eligible to elect FEHB coverage under a temporary appointment if the appointment conveys eligibility. If the appointment conveys eligibility and you have FEHB coverage as an annuitant, the annuitant coverage will terminate and be transferred to the agency so you may take advantage of premium conversion. If the position does not convey eligibility and you have FEHB coverage as an annuitant, the coverage will remain with the Office of Personnel Management.

#### 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.

#### TSP. You may enroll in the TSP.

You must use the DD Form 2938, "Election of Retirement Coverage for FERS 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 90 days, you will automatically receive your full annuity and salary and will not be able to receive credit toward future retirement benefits for the period of reemployment with DoD. Elections 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].

## GLOSSARY

### G.1. ACRONYMS.

<b>ACRONYM</b>	<b>MEANING</b>
CFR	Code of Federal Regulations
CSRDF	Civil Service Retirement and Disability Fund
CSRS	Civil Service Retirement System
DD	Department of Defense (form)
DSR	discontinued service retirement
FEGLI	Federal Employees Group Life Insurance
FEHB	Federal Employees Health Benefits
FERS	Federal Employees Retirement System
GS	general schedule
HR	human resources
HRO	human resources office
NTE	not to exceed
OPM	Office of Personnel Management
PL	public law
SF	Standard Form
TSP	Thrift Savings Plan
U.S.C.	United States Code

### G.2. DEFINITIONS.

These terms and their definitions are for the purpose of this issuance.

<b>TERM</b>	<b>DEFINITION</b>
<b>annuitant</b>	An individual that receives an annuity from any retirement system or who meets all requirements for entitlement to an annuity and has submitted a claim for retirement.

<b>TERM</b>	<b>DEFINITION</b>
<b>appointment</b>	A personnel action that brings an individual onto the DoD rolls (e.g., initial appointment, transfer into DoD from another Federal agency) or that converts a current DoD employee to another appointment.
<b>DSR annuitant</b>	An annuitant receiving an annuity pursuant to Section 8336(d)(1) or Section 8414(b)(1)(A) of Title 5, U.S.C., 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.
<b>executive-level position</b>	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.

## REFERENCES

- Code of Federal Regulations, Title 5
- Defense Civilian Personnel Advisory Service, “Department of Defense Priority Placement Program (PPP) Handbook,” October 1, 2023
- DoD Directive 1400.25, “DoD Civilian Personnel Management System,” November 25, 1996
- DoD Directive 5124.02, “Under Secretary of Defense for Personnel and Readiness (USD(P&R)),” June 23, 2008, as amended
- DoD Instruction 1400.25, Volume 1702, “Voluntary Separation Programs,” April 1, 2009
- DoD Instruction 5015.02, “DoD Records Management Program,” February 24, 2015, as amended
- Office of Personnel Management Guide, “Guide to Processing Personnel Actions,” current edition
- Office of Personnel Management Handbook, “CSRS and FERS Handbook for Personnel and Payroll Offices,” April 1998
- Office of Personnel Management Operating Manual, “Guide to Personnel Data Standards,” current edition
- Public Law 108-136, “National Defense Authorization Act for Fiscal Year 2004,” November 24, 2003
- Public Law 110-181, “National Defense Authorization Act for Fiscal Year 2008,” January 28, 2008
- United States Code, Title 5
- United States Code, Title 26, Subchapter A of Chapter 21 (also known as the “Federal Insurance Contributions Act”)