



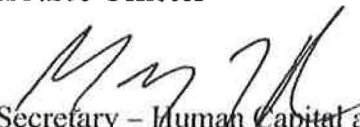
United States Department of the Interior


OFFICE OF THE SECRETARY
Washington, DC 20240

OCT 16 2015

Memorandum

To: Bureau Human Capital Officers
Bureau Human Resource Officers

Through: Mary F. Pletcher 
Deputy Assistant Secretary - Human Capital and Diversity

From: Raymond A. Limon 
Director, Office of Human Resources

Subject: Implementation of Phased Retirement

The U.S. Department of the Interior Policy and Procedure on the Implementation of Phased Retirement (Personnel Bulletin 15-06) is attached for your information. This new workforce flexibility tool allows full-time CSRS and FERS employees to enter into phased retirement, work a part-time schedule, and begin to draw retirement benefits while fulfilling a mentoring requirement. Phased retirement was designed not only to assist agencies with knowledge management and continuity of operations in the short term, but also to prepare the next generation of experts for success.

Bureaus and offices are required to establish written plans, processes, or procedures prior to implementing phased retirement and approving requests utilizing the criteria articulated in the Personnel Bulletin. Prior to implementation, bureau's or office's plans must be approved by the Office of Human Resources. In particular, your plans must address the eligibility criteria found under Personnel Bulletin No. 15-06, paragraph #5. If you choose to include Senior Executive Service (SES), Senior Level (SL), and Scientific and Professional (ST), please coordinate with your Executive Resources Coordinator for Executive Review Board approval.

Similarly, once a determination has been made to implement phased retirement, please ensure appropriate steps are taken to fulfill your local labor-management obligations as applicable, prior to such implementation.

To assist in understanding this new flexibility, see attached comparison chart of reemployed annuitants, part-time reemployed civilian retirees under NDAA, and phased retirees showing the various differences between the three management flexibilities.

If you have any questions, please contact Raymond Limon, Director, Office of Human Resources, at Raymond_Limon@ios.doi.gov or (202) 208-5310.

Attachments:

Personnel Bulletin No. 15-06

Phased Retirement Agreement

Comparison of Reemployed Annuitants, NDAA, Phased Retirement Program



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

OCT 16 2015

Personnel Bulletin No. 15-06

SUBJECT: The Department of the Interior Phased Retirement Program

- Purpose:** This Personnel Bulletin (PB) establishes Department of the Interior (DOI) procedures and guidance on the use of the Phased Retirement Program. It discusses how the Department will implement a management flexibility that allows full-time employees to enter phased retirement to work a part-time schedule and begin to draw retirement benefits while mentoring. Phased retirement was designed not only to assist agencies with knowledge management and continuity of operations in the short term, but also to prepare the next generation of experts for success.
- Authority:** Move Ahead for Progress in the 21st Century Act (MAP-21) Section 100121(d), Title 5 of the Code of Federal Regulations (CFR) Parts 581, 582, 831, 838, 841, 842, 843, 848, 870, and 890.
- Background:** On August 8, 2014, the U.S. Office of Personnel Management (OPM) issued the final regulation to implement phased retirement pursuant to Section 100121(d) of the "Moving Ahead for Progress in the 21st Century Act," or "MAP-21," Public Law 112-141. This law authorized changes to the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS) by amending Title 5 of the United States Code (USC) Sections 8336a and 8412a. The implementation of phased retirement requires a complex realignment of end-of-career planning for both individuals and agencies. Unlike many government personnel policies that apply to active employees or to retirees but not to both, phased retirement is a mix of the two. A phased retiree is an active employee working part-time and drawing a partial annuity. The phased retiree will mentor within the organization maintaining continuity and training of employees who will be filling positions vacated by more experienced retired employees. Flexibilities also allow bureau offices to use phased retirees for learning activities that would allow for the transfer of knowledge and skills from one employee to another.

The bureau/office cannot back-fill the position on a full-time basis because the phased retiree continues to encumber the current position until fully retired. The bureau/office could however, fill the position on a part-time basis so that the total time of both employees equals 80 hours per pay period. Options such as a reassignment to another position for which the phased retiree qualifies for the same grade level and with concurrence by the manager and phased retiree may also be considered.

4. Definitions:

- **Composite Retirement Annuity** – The annuity computed when a phased retiree attains full retirement status.
- **Full Retirement Status** – The phased retiree has ceased employment and is entitled, upon application, to a composite retirement annuity.

- **Full Time Employee** – An employee that works 80 hours per pay period for at least 3 years immediately preceding a phased retirement request.
- **Gross Annuity** – The amount of monthly annuity payable to a retiree or phased retiree after reducing the self-only annuity to provide survivor annuity benefits and unpaid deposits or redeposits, if any, but before any other deduction.
- **Phased Retiree** – A retirement-eligible employee (under 5 C.F.R. 831.1711 and 848.201) who, with the concurrence of an authorized agency official, enters phased retirement status in accordance with 5 CFR Part 831, Subpart Q, or Part 848, and has not entered full retirement status.
- **Phased Retirement Status** – The phased retiree is concurrently employed in phased employment and eligible to receive a phased retirement annuity.
- **Phased Employment** – Indicates less than full-time employment of a phased retiree.
- **Phased Retirement Annuity** – The annuity paid payable under 5 U.S.C. 8412a before full retirement.
- **Phased Retirement Period** – The period beginning on the date an individual becomes entitled to receive a phased retirement annuity and ending on the date when the employee dies or separates from phased retirement.
- **Working Percentage** – The percentage of time established to be worked by a phased retiree each pay period. According to OPM regulation, the current percentage of time is set at 50 percent of officially established full time work schedule under OPM regulations.

5. **Eligibility and Criteria to Approve Applications:** Written plans, processes, or procedures must be established prior to implementing the program and soliciting employee participation in phased retirement. Bureaus/Offices retain the authority to approve/disapprove employee applications. Management will use factors which further the mission of the Bureaus/Offices, and adhere to merit system principles when determining positions eligible for consideration, as not all positions will qualify for phased retirement. Employee participation in phased retirement is voluntary and not an employee entitlement. Both the employee and the bureau/office must consent. As such, the criteria used to approve requests must include, but is not limited to the following information:

- Factors that will be considered when approving requests which must be merit based.
- Designation of officials with authority to approve requests.
- Use of time limits as a condition of approval of requests. The maximum time an employee can enter into phased retirement is 2 years.
- Management has the discretion to determine positions or geographic locations that may be included or excluded from phased retirement.
- Process for handling multiple requests when a Bureau/Office is unable to approve all requests received (the agency should have an impartial formal procedure to make these decisions), e.g., first come, first serve.
- If include members of the Senior Executive Service (SES), Senior Level (SL) or Scientific and Professional (ST), you must coordinate with your Executive Resources Coordinator for Executive Resource Board (ERB) approval.

Participation is limited to CSRS and FERS employees eligible for immediate retirement under the following criteria:

- CSRS employees with at least 30 years of creditable service and at least age 55, or employees with at least 20 years of creditable service and at least age 60.
- FERS employees who meet the Minimum Age Requirement with at least 30 years of creditable service, or employees with at least 20 years of creditable service and at least age 60, and;
- The employee, regardless of retirement system under which covered, must have been employed on a full-time basis for not less than 3 years immediately preceding the effective date of his/her entry into phased retirement status.

6. **Applications:** Employees must apply for phased retirement. The application process consists of:

- A signed agreement between the employee and authorized bureau/office official
- The standard Application for Retirement (SF-2801 or SF-3107)
- Phased Employment/Phased Retirement Status Election (SF- 3116)
- Information and Instructions for Completing an Application for Phased Retirement under CSRS (SF-2825) or FERS (SF-3117)

The purpose of these applications and the Departmental Agreement is to document the culmination of discussions between the employee and the bureau/office about whether the employee is an appropriate candidate for phased retirement, and how the employee's job duties will change during the period of phased retirement to meet the needs and interests of both the employee and the bureau/office.

As part of the discussion between the employee and management, the employee should provide written justification regarding how he/she can transfer knowledge and skills to others within the organization; help develop employees to assume responsibilities of the phased retiree's duties; and to satisfy the needs of his/her position and the needs of the bureau/office during the phased retirement period. Following this discussion, if the employee and management agree to pursue phased retirement, they will prepare the Phased Retirement Agreement and forward for approval by the appropriate approving official. Once the agreement is approved, the employee can complete the associated federal applications and submit the package with the Phased Retirement Agreement through his/her Servicing Human Resources Office (SHRO). The SHRO will certify the Phased Retirement Status Election (SF-3116) after the appropriate approving official has signed the DOI Phased Retirement Agreement and submit the package to OPM.

Copies of the signed Phased Retirement Agreement should be given to the employee, retained in the Bureau/Office files, and included with the package forwarded to OPM. The SHRO will place a copy of the agreement in the employee's Official Personnel Folder.

7. **Resource Allocation:** The authority to approve requests for phased retirement is delegated from the Department to Bureau/Office heads, who may further re-delegate approval to designated officials at the deputy level. Criteria to consider:

- Is a part-time work schedule appropriate for the employee's position?
- Is the employee willing and able to meet mentoring requirements?
- Can management identify appropriate mentoring activities for the employee to perform?
- How will the employees' change in work schedule affect the organization's ability to meet its goals and objectives?
- Can operations support a part-time schedule of 50 percent?

The number of hours a phased retiree can work may be no more than one-half of the number of hours (40 hours per pay period) the phased retiree would have been scheduled to work had he or she remained in a full-time work schedule (80 hours per pay period).

8. **Exclusions:** Employees who previously retired or are currently employed on a part-time basis cannot apply for phased retirement. Also, excluded from phased retirement are employees who qualify for retirement under the retirement provisions for:

- Law Enforcement Officers
- Firefighters

9. **Working Percentages and Establishing Hours:** An employee electing phased retirement continues to work as an employee of the Federal Government but under a part-time work schedule. Simultaneously, the employee receives an annuity benefit equal to a portion of the annuity that would have been paid had the employee fully retired. This means employees in the Phased Retirement Program will be receiving half of their pay and approximately half of their annuity since the only working percentage allowable by regulation is 50 percent.

A phased retiree who continues to work must be a part-time employee with a regularly scheduled tour of duty; they may not work on an intermittent basis.

10. **Time Limitations:** DOI bureaus/offices must establish time limitations as a condition of approving an employee's request to enter into phased retirement. The following parameters have been established to promote consistency among bureaus/offices:

- The maximum duration of a participant's phased retirement period is 2 years. A period of less than 2 years may be requested by the participant and approved by the bureau/office. In many cases, a period of a few months will be sufficient for knowledge transfer purposes.
- Extensions to time limits (not to exceed the overall period of 2 years) must be agreed to by the phased retiree and the bureau/office before the expiration date of the agreement.

- A bureau's/office's determination for use of a phased retiree may vary on a case-by-case basis.
- An employee in phased retirement who has agreed to a time limitation may voluntarily retire under full retirement status before the expiration date of the agreement.

When the time limitation agreement expires, the employee may:

- Enter into full retirement;
- Return to regular employment with the approval of the current bureau/office;
- Enter into a new time limit agreement with the Bureau/Office prior to the expiration date of the current agreement if the participant has not reached the 2-year maximum duration.
- At any time during the phased retirement, a retiree may transfer to another agency. The gaining agency has the option of entering into a new phased retirement agreement with the transferring phased retiree based on that agency's policy.

11. **Mentoring:** Mentoring encompasses a wide range of activities that allow for transfer of knowledge and skills from one employee to another. Successful mentoring programs require participation and commitment from stakeholders throughout the organization. DOI senior management must acknowledge the importance of mentoring by allocating resources and time to support the program's activities. The specific objectives of mentoring are to:

- Increase employee engagement and job satisfaction
- Transfer tacit (knowledge through experience) and explicit (knowledge that can be documented) knowledge
- Expand cross-functional knowledge
- Expand leadership, coaching, and interpersonal skills
- Facilitate professional growth
- Leverage diversity and experience to provide learning and development opportunities

Serving as a mentor in a formal program is just one way the mentoring requirement can be met. The bureau/office and employee may also choose from learning activities that would allow for the transfer of knowledge and skills from one employee to another. The bureau/office and the retiree have the discretion to determine if it will be appropriate for the phased retiree to mentor more than one person.

Benefits for a Mentor

- Allows opportunities to share experience and expertise with other DOI employees, as well as network
- Invests in the future by actively participating in developing future employees and leaders
- Obtains a fresh perspective and new insights
- Develops stronger leadership and coaching skills

- Offers an opportunity to pass on a legacy

Mentoring Key Points/Tracking

To provide bureaus/offices with the maximum amount of flexibility in meeting mentoring requirements, the OPM has broadly defined mentoring to allow employees and managers multiple options in choosing mentoring activities that would best fit Departmental needs. Bureaus/offices must ensure:

- A phased retiree spends at least 20 percent of his/her working hours in mentoring activities.
- Mentoring is not limited to the employee who is expected to assume the phased retiree's duties when he/she fully retires.
- An authorized bureau/office official may use his/her discretion to waive the mentoring requirement only in the event of an emergency; or other unusual circumstances that would make it impracticable for a phased retiree to fulfill the mentoring requirement.
- If a phased retiree decides to fully retire before completion of his/her mentoring assignment, the bureau/office finds another way to complete the mentee's training.

Tracking of mentoring is currently not required by the OPM. However, it is recommended that bureaus/offices track this effort using work reports and attendance accounting procedures (i.e., QuickTime) to document mentoring. Information on developing mentoring programs and activities is available on OPM's website at <http://www.opm.gov/wiki/training/Mentoring-and-Coaching.ashx>.

12. Pay, Leave Work Schedule and Telework Considerations: An employee in phased retirement receives half of his/her pay and about half of the annuity he/she would have received had they fully retired instead of entering into phased retirement status. Employees who elect phased retirement work 40 hours per pay period and their gross pay per pay period will be reduced by half. Gross pay from the agency continues to be subject to withholdings such as Federal Employees Health Benefits (FEHB), Federal Employees' Group Life Insurance (FEGLI), Federal Employee Dental and Vision Insurance Program (FEDVIP), Federal Long Term Care Insurance Program (FLTCIP), Thrift Savings Program (TSP), Flexible Spending Accounts (FSA), Medicare tax, Federal tax, State tax, retirement (CSRS, FERS, or CSRS Offset) and Social Security deductions, etc., as appropriate. The FEHB and FEGLI premiums are the same amount that is withheld from an employee working a full-time work schedule. The FEGLI value is as if the employee was full-time. The normal within-grade increase rules for part-time employees apply to phased retirees. Days of full-time and part-time service are equally creditable toward within-grade increase waiting periods. Holidays are paid as a part-time employee.

Phased retirees ordinarily will work only the basic hours in their established part-time schedule and thus, will not be performing overtime work. However, work beyond their established part-time schedule is possible under the limited exceptions discussed at 5 CFR Section 831.1715 (h) and 5 CFR Section 848.205(j). Overtime pay and compensatory time off generally is earned for work in excess of 8 hours in a day or 40 hours in a workweek.

For reservist differential payments, a phased retiree should be treated like any other part-time employee. Military pay and allowances should be compared to civilian basic pay for the part-time biweekly tour of duty established for leave usage purposes.

Leave accrual rates for part-time employees apply to phased retirees. Leave accrual for part-time employees is prorated based on the hours in a pay status as per 5 USC 6302(c); 5 CFR 630.303. Annual leave accrues at 1 hour per 10 hours worked. Sick leave accrues at 1 hour per 20 hours worked. The election of phased retirement will not alter an employee's annual leave ceiling. An employee maintains his/her sick leave balance upon transition to phased retirement. Sick leave cannot be used in the computation of the phased retirement annuity, but at full retirement, unused sick leave will be taken into account. Employees in phased retirement may work an Alternative Work Schedule, earn and use Credit Hours, and earn and use Travel Comp Time as appropriate for the situation.

Telework is available if appropriate.

13. Phased Retirement Formula: The phased retirement benefit is based on a percentage of the basic annuity computation adjusted for deposit and/or redeposit, if applicable.

- **Basic Annuity Computation** - The amount of the phased retirement annuity depends primarily on an employee's high-3 average pay, length of service and phased retirement percentage (50%).
 - A CSRS phased retirement annuity is derived from the CSRS General Formula:
 1. 1.5 percent x high-3 average pay x 5 years of creditable service, plus
 2. 1.75 percent x high-3 average pay x 5 years of creditable service, plus
 3. 2.0 percent x high-3 average pay x remaining years/months of creditable service
 - A FERS phased retirement annuity is derived from the FERS Annuity Formula:
 1. 1.0 percent x high-3 average pay x years/months of creditable service, or
 2. 1.1 percent x high-3 average pay x years/months of creditable service (for employees who are age 62 or older when they enter phased retirement status and who have performed at least 20 years of creditable service.
 - High-3: Under CSRS or FERS the high-3 is computed as of the day before the effective date of the phased retirement election.
 - Phased Retirement Annuity: Once the full annuity is computed, it is then multiplied by the retirement percentage (50%).

- **Deposits and Redeposits for Civilian and Military Service** - Deposits/redeposits must be paid prior to finalizing the phased retirement status for civilian service. Any reduction in annuity or loss of service credit at the time the amount of phased retirement annuity is determined will be permanent.
- **Commencing Date** - The commencing date of a phased retirement annuity is the first day of the pay period after the phased retirement is approved by the authorizing agency official in the bureau/office; or the first day of a later pay period specified by the phased retiree with concurrence by the authorizing bureau/office official.

14. **Benefits:**

- **TSP** - For TSP purposes, the employment status of a phased retiree does not differ from that of a regular part-time employee. Phased retirees under FERS and CSRS continue their eligibility to participate in the TSP and are subject to restrictions regarding TSP loans, financial hardship withdrawals, and/or age-based in-service withdrawals. Phased retirees are not subject to required minimum distributions or the TSP withdrawal deadline. TSP government contributions for phased retirees are based upon basic pay received by the employee during each pay period. TSP government contributions will not be based on the phased retirement annuity payable by OPM.
- **Health Benefits** - A phased retiree is deemed to be a full-time employee for the purpose of 5 USC Chapter 89 and 5 CFR Part 890 (related to health benefits), as required by 5 USC 8336a(i) and 5 CFR Section 831.1715(a)(1); and as an employee for purposes of the FEGLI, FLTCIP, the Federal Flexible Spending Accounts Program, FEDVIP, FEHB, and Premium Conversion. Employees in phased retirement status continue to be covered under these programs as an employee during phased retirement status. An election of phased retirement is not a Qualifying Life Event which would allow benefit changes outside of open season. Individuals who change bureaus, offices, agencies, or duty stations during phased retirement will maintain their current enrollment in FEHB and FEGLI unless they become otherwise eligible to make enrollment changes. For FEHB and FEGLI purposes, an employee in phased retirement status is treated the same as when he/she was working full-time. This means that an employee in phased retirement status will pay the employee share of the FEHB premium and FEGLI withholding as if he/she were a full-time employee, not a part-time employee. The value of FEGLI is as if the employee was full-time employee.

15. **Performance Management and Conduct Considerations:**

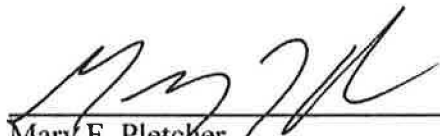
- **Due Process Rights** - A phased retiree is considered a part-time employee and thus, has the same due process rights to address conduct and/or performance actions initiated against him/her applicable before he/she entered phased retirement. Collective bargaining rights provided as a result of an employee's full-time status

could change as a result of the transition to part-time status (i.e., if part-time employees are not included in the bargaining unit).

16. Reconsideration and Grievance Rights:

- If an application for phased retirement is denied, the employee may submit a written request for reconsideration to the Servicing Human Resources Office (SHRO) within 15 days after receiving the decision. Within 5 days of receipt, the SHRO will provide the reconsideration request, along with the original phased retirement application and decision, to the individual(s) designated by the Bureau/Office to consider such requests. A written decision will be issued to the employee within 30 days after it is received by the reconsideration deciding official. This decision is final and not subject to further appeal.
- For bargaining unit employees, coverage of matters related to phased retirement are determined by the provisions of the applicable negotiated grievance procedures.
- A phased retiree applying from another agency whose application to continue phased retirement at the Department of the Interior is denied will have no right to reconsideration.
- Phased retirement agreements will include a waiver of grievance rights in the event a phased retiree's request to extend the initial period or return to regular employment is denied.

17. Point of Contact: The Departmental point of contact of this policy is Vickki Johnson, (202) 208-7271, Office of Human Resources.



Mary F. Pletcher
Deputy Assistant Secretary – Human Capital and
Diversity

Attachments:

Phased Retirement Agreement
Comparison of Reemployed Annuitants
NDAA, Phased Retirement Program



Department of the Interior Phased Retirement Agreement

Name: _____

Title, Series, Grade: _____

Location: _____

Work Phone Number: _____

Introduction

This is an employment agreement between _____ (employee's name) referred to as "you" or "your" and the _____ Departmental element (hereafter referred to as "the employer" or Departmental element) for the purposes of the employer committing to retaining you in a phased retirement status to fulfill a need for your services. In return, you are committing to a period of service and will provide mentoring services to the employer. This agreement must be signed by all parties prior to the effective date of this agreement.

Position

This agreement is for the position of _____ Title, Series and Grade. If mutually agreed, you may be detailed to perform work anywhere in or outside the Department of the Interior (DOI) or assigned to another position within (Departmental element) or its successor organization during the period of this agreement without any impact on your status. If you are assigned to a different Departmental element, a new service agreement is required.

Effective Date

The effective date of this agreement will be _____ (date - the first day of the first pay period after phased retirement is approved or other mutually agreed upon date, if later), which will be the date that your status changes from full-time to part-time as a phased retiree. That date will be documented on your SF-50, Notification of Personnel Action.

Period of Service

The period of phased retirement service with DOI will be for _____ (number of months or years, not to exceed 2 years) beginning (insert the effective date from the previous section) and ending _____ (date). If initiated for less than 2 years, the agreement may be extended not to exceed a maximum period of 2

years, upon mutual agreement between you and the Department element; or terminated early for one of the reasons specified in the Conditions section of this Agreement.

Work Schedule

The number of hours per pay period that you agree to work will be (50% of the number that the employee would work if full-time; normally 40). The type of work schedule, i.e., regular, compressed, or flexible, and your tour of duty will be mutually agreed to with your supervisor or other approving official based on the work schedule options available in your organization. You may not work more than the total number of hours per pay period unless you are approved to work overtime and **all** of the following conditions apply:

1. The work is necessary to respond to an emergency posing a significant, immediate, and direct threat to life or property.
2. The approving official determines that no other qualified employee is available to perform the required work.
3. You are relieved from performing the overtime work as soon as possible.
4. When an emergency situation can be anticipated in advance, management made advance plans to minimize any necessary overtime work that you are required to perform.

Compensation

1. Basic Pay – You will receive one-half your normal annual pay that you would otherwise receive as a full-time employee, along with one-half of your retirement annuity, as provided in 5 CFR 848.501.
2. Premium Pay – You are eligible for overtime pay (subject to the conditions above). Compensatory time off in lieu of overtime pay for irregularly scheduled overtime is not used in computing retirement benefits. Sunday pay, holiday pay, night pay, and premium pay is subject to normal payroll deductions, but not used in computing retirement benefits.
3. Travel – You are eligible for compensatory time off for travel (travel comp).
4. Credit Hours – You are eligible to earn _____ (number up to 10) credit hours per pay period if you are on a flexible work schedule that authorizes credit hours. The maximum amount of credit hours that may be carried from one pay period to the next may not exceed ¼ of your regular bi-weekly work requirement.
5. Retirement Annuity – You will receive a monthly annuity payment based on 50% of your highest three consecutive average pay years effective the same date as this agreement. This payment is not subject to reduction for any benefit(s) or form of survivor annuity, but is subject to a court order providing for division, allotment, assignment, execution, levy, attachment, garnishment, or other legal processes. This payment is also subject to any applicable reductions based on unpaid CSRS and FERS deposits and/or redeposit, including unpaid deposits for post-1956 military service. Unused sick leave will not be used in the computation of the phased retirement annuity; however, any unused sick leave will be taken into account at full retirement. Lump-sum credit, i.e., the

retirement contributions credited to you in the Retirement Fund, will be reduced by the monthly annuity paid during phased retirement.

6. Thrift Savings Plan (TSP) – You are eligible to apply for loans, financial hardship withdrawals, and age-based-in-service withdrawals. At age 70.5, you are not subject to taking a mandatory minimum distribution during your phased retirement period. You are required to make a mandatory withdrawal choice by April 1st of the year following the year you become age 70.5, or, if still employed at age 70.5, by April 1st of the year following the year that you separate from Federal service.
7. Social Security – If eligible, you will receive your benefit based on the age you elect to begin receiving the benefit. The Social Security Administration is responsible for applying the Government Pension Offset (GPO) as it applies to phased retirement. For additional information, including annual earnings limitations, see <http://www.ssa.gov/news/press/factsheets/colafacts2014.html>.
8. Other Income – There is no restriction on earning non-Federal income outside the 40 hours per pay period that you work in DOI other than normal conflict of interest and ethics regulations.

Payroll Deductions and Benefits Entitlements

1. Social Security, Medicare, and Income Tax Deductions – All Federal employees hired after 1984 are required to pay Federal and State income tax and the Medicare portion of Social Security. Employees who are excluded from Social Security taxes at the time they enter phased retirement continue to be excluded from Social Security coverage during the phased retirement period.
2. Retirement Contributions – You will continue to accrue credit toward, and make contributions for, an adjusted composite retirement annuity upon full retirement. Applicable deductions are made from your biweekly pay.
3. Health Insurance – You are eligible for the Federal Employee Health Benefit (FEHB) program and may continue your health plan or meet eligibility requirements for enrollment. Your premiums will continue to be deducted from your pay and employer contributions made as for full-time employees.
4. Life Insurance – You are eligible to continue the Federal Employee Group Life Insurance (FEGLI) program. Coverage amounts will be based on the full-time salary of the position. Your premiums will continue to be deducted from your pay (if applicable).
5. Thrift Savings Plan (TSP) – You are eligible to contribute to the plan up to the maximum annual amount allowed by the Internal Revenue Service. Normal restrictions for TSP loans, financial hardship withdrawals, and age-based in-service withdrawals continue to apply. The government's contribution may be less as it is based on your basic salary.
6. Dental/Vision Insurance and Flexible Spending Accounts – You are eligible to participate if you elect the benefit.
7. Long – Term Care Insurance – You are eligible to participate if you meet enrollment requirements.

8. Union Dues – If you continue to occupy a bargaining unit position in phased retirement (i.e., if part-time employees are included in the bargaining unit), you may continue to pay union dues consistent with the applicable collective bargaining agreement.
9. Allotments – You are eligible to have allotments made the same as full-time and other part-time employees.

Worklife Benefits

1. Leave – You will accrue annual and sick leave on a reduced basis as a part-time employee, i.e., it is prorated based on the number of hours in a pay status. If you work 40 hours per pay period, you will earn 4 hours of annual leave and 2 hours of sick leave. You are subject to the applicable annual leave carryover ceiling. Phased retirees will not receive a lump-sum payment for unused annual leave until full retirement begins.
2. Holidays – You are entitled to paid holiday hours when the holiday falls on a day when you would otherwise be required to work or take leave. If a holiday falls on a non-workday, you are not entitled to an “in lieu of” holiday.
3. Telework – If your position is eligible, and if mutually agreed to with your supervisor and approving official, you may telework. Your telework arrangement, i.e., routine, situational, and frequency of telework will be determined by your supervisor.

Conditions

1. Phased retirement is part-time permanent employment. Employees in a phased retirement status are not eligible to file for disability retirement.

The percentage of time (50%) and hours that you work per pay period (*normally 40 hours*) may not be changed during your phased retirement period. You may change to another position in DOI or another agency only if the working percentage (50%) does not change. You may accept a new full-time appointment in another agency at any time during phased retirement.

2. You may not be employed in the Federal Government in more than one phased retirement position at any time. However, you may be employed outside the Federal Government, such as self-employment, provided there is no conflict of interest or ethics issue. You must consult with a DOI ethics attorney and obtain advance approval when required.
3. At least 20% of the time as a phased retiree must be spent mentoring, unless waived by the approving official hereto or his/her successor due to an emergency or other unusual circumstance, including active military duty or when receiving workers’ compensation, that would make it impractical for you to fulfill this requirement. You are expected to have a work plan established and to maintain a record/log of your mentoring activities that ensures that this requirement is satisfied.
4. When the period of service of this agreement ends, you will be separated from federal service. The separation is not an adverse action and is considered voluntary because you entered into this

agreement voluntarily. If you have a break in service of more than 3 calendar days from the date of termination, you will be deemed to have elected full retirement.

5. You reserve the right to elect full retirement at any time this agreement is in effect. Once effective, you will receive an adjusted composite retirement annuity.
6. You may request to terminate this agreement early and return to regular, full-time status at any time this agreement is in effect, or within 3 calendar days of its expiration of the period of service, by using the Office of Personnel Management (OPM) Standard Form (SF) -3116.
 - a. If your request is approved by management, you may subsequently cancel this agreement before the effective date to return to full-time status by submitting a signed request to the approving official to return to regular, full-time status. However, you may not elect phased retirement again, as you are limited to one election during your retirement-eligible lifetime. The effective date of your full-time status and termination of your retirement annuity is determined based on the day of the month that your request is approved within DOI or, if changing to another agency, the effective date that your position in DOI ends.
 - b. If your request is not approved, you may stay in phased retirement status under this agreement or you may elect full retirement.
 - c. By signing this Agreement, you waive any rights to grieve or appeal to the MSPB if your request to extend your period of phased retirement or your return to regular employment is disapproved.
7. You may be eligible for a voluntary separation incentive payment (VSIP; also referred to as a buyout), if offered, when leaving phased retirement to separate and enter full retirement, but not at the time of entering phased retirement. This only applies if the organization has authority from OPM and offers the VSIP specifically to the position you currently occupy.
8. You will continue to be subject to the DOI performance management system and required to maintain at least a fully successful or equivalent performance rating, maintain all conditions of employment, such as an applicable security clearance (access authorization), medical or physical standard, and/or applicable professional credential, and remain in the same position or occupation for the duration of the service period. If your performance rating falls below the fully successful or equivalent performance rating level, your security clearance is revoked, you fail to maintain a medical or physical standard or a professional credential that is required for your position, or you are separated for cause, this agreement will be terminated. In which case, you are subject to the same corrective actions as other DOI employees such as disciplinary or adverse actions under 5 CFR 432.106 or 752.405, with all associated rights.
9. As a part-time employee, you are eligible for a pro-rated performance award.
10. The employer reserves the right to terminate this agreement early based on factors below by notifying you in writing, which includes your rights, at least 30 days in advance of the effective date of termination in the event that:
 - a. The basis for entering into this agreement no longer exists.

- b. Funding is no longer available for your position.
- c. Your position is subject to a management initiated action, such as a reduction in force or reassignment, but not a transfer of function or reclassification when the competencies of the position are retained, or other unforeseen management need.
- d. You apply and are selected for a similar or different position in a Departmental element other than the Departmental element that entered into this agreement.
- e. It is determined by DOI or OPM that you have been working a significant amount of overtime, in which case you will be returned to full-time status as if you elected to return to full-time status.

The termination of this agreement under these circumstances is not grievable or appealable.

- 11. In the event of death during the phased retirement period, the death is deemed a death in service and the period worked is deemed to have been part-time employment with no credit for extra hours worked (over the 40-hour allowed bi-weekly schedule) for the purpose of determining survivor benefits.
- 12. In the event that applicable laws or regulations change that would result in a change(s) in the terms and conditions of this agreement, the parties hereto mutually agree that this agreement will be subject to any superseding terms required by law or regulation. Any changes other than those required by applicable laws or regulations must be mutually agreed to in writing by the parties hereto.

Certification

I hereby certify that I have read and understand the terms and conditions of the agreement.

Employee's Name (Printed) _____

Employee's Signature _____

Date _____

Supervisor's Name (Printed) _____

Supervisor's Signature _____

Date _____

Approving Management Official Name (Printed) _____

Date _____

Approving Management Official Signature _____

Date _____

Human Resources Official _____

Date _____

Privacy Act Notice

Title 5 Code of Federal Regulations section 831.1713(d)(2) and 848.203(d)(2) require the use of an agreement to document a phased retirement work arrangement. Signing this agreement is voluntary, but an employee's failure to sign this agreement will be deemed withdrawal of their request to work this arrangement. The use of this agreement is by applicable management officials and supporting administrative staffs, payroll and accounting staffs, human resource staffs, and equal employment opportunity staffs to verify that this agreement is properly completed, to process and make the payments and applicable deductions, to maintain appropriate documents that support the use of Government funds, to ensure compliance with the applicable laws and regulations, and to report the use of the authority for phased retirements as part of any reporting requirement to the Office of Personnel Management and/or Congress. There are no additional uses that may be made of the information collected.

The official copy of this agreement is maintained in your electronic Official Personnel File (eOPF), which is a category of record included in the OPM/GOVT-1 General Personnel Records system. Other copies may be maintained in your Departmental element, such as by your supervisor and administrative support staff, which is appropriate under the OPM/GOVT-1 records system.

Attachment: Copy of the approved justification

Distribution:

Original: Electronic Official Personnel File (e-OPF)

Copy: Employee

Departmental element

Payroll record

Comparison of Reemployed Annuitant, NDAA, Phased Retirement Program

Formal Title	Reemployed Annuitant	Part-Time Reemployment of Civilian Retirees NDAA	Phased Retirement
Effect on Salary	With Salary Offset	Without Salary Offset	50% Salary + 50% Retirement
Authority	5 CFR §837	National Defense Authorization Act (NDAA); Public Law 111-84; (Expiration: December 31, 2019); 5 CFR 553.201(c)	MAP-21, Section 100121d; 5 CFR §831.1715 Subpart Q; 5 CFR Part 848; 5 USC 8336a,, Public Law 112-141
Policies	CSRS and FERS Handbook, Chapter 100 http://www.opm.gov/retirement-services/publications-forms/csrsfers-handbook/c100.pdf	OPM Benefits and Administration Letter (BAL) No. 10-101; DOI Personnel Bulletin (Amended) No: 10- 1	http://www.opm.gov/retirement-services/phased-retirement/ ; OPM BALs 14-106; 14-108 thru 14-112; 14-208 thru 14-209; 14-303 & 14-307; DOI & Bureau Specific Policies
Expiration of Authority	Not applicable	December 31, 2019	Not Applicable
Restrictions/ Exclusions	Not applicable	<ul style="list-style-type: none"> No more than 2.5% of full-time workforce Provide Justification to Congress and OPM if 1% is exceeded 	<ul style="list-style-type: none"> Previously retired employees (former Phased Retirees) Law Enforcement Officers Firefighters
Criteria	Programmatic needs determined by cost center	<ul style="list-style-type: none"> Fulfill functions critical to office/bureau mission Promote appropriate training or mentoring Assist in recruitment or retention of Employees Emergency Response of Direct Threat to Life or Property or Other unusual circumstances Development, Management or Oversight of Agency Procurement Actions Implementation or Oversight of the American Recovery and Reinvestment Act of 2009 or the Troubled Asset Relief Program of 2008 	<ul style="list-style-type: none"> Must be eligible for optional retirement CSRS 55+ 30 years 60+ 20 years FERS 55-57+ 30 years 60+ 20 years Must have been on a full-time work schedule for 3 years immediately prior to entering Must mentor 20% of time
Appointment types	Permanent, Term, Temporary	<ul style="list-style-type: none"> Temporary 	<ul style="list-style-type: none"> Permanent employees on a part time work schedule who are paid an annuity
Hours Limitation	None	<p>After annuity first commences:</p> <ul style="list-style-type: none"> First six months: No more than 520 hours First year: No more than 1040 hours No more than 1040 hours in any 12 month Period No more than 3,120 total hours total Additional 520 hours for a total of 3,640 if training is not the primary duty **Training or mentoring 	<ul style="list-style-type: none"> Time limit established with an approved agreement NTE 2 years

Formal Title	Reemployed Annuitant	Part-Time Reemployment of Civilian Retirees NDAA	Phased Retirement
Work Schedule	Full-time, part-time, or intermittent	<ul style="list-style-type: none"> • Full-time, part-time, or intermittent 	<ul style="list-style-type: none"> • Part-time – 40 hours Per Pay Period
Cost to Center	Pays both salary and reimburses OPM for annuity that is offset	<ul style="list-style-type: none"> • Pays salary 	<ul style="list-style-type: none"> • Pays salary (Annuity paid by OPM)
Approval Level (ICTAP/CTAP)	SES ERB approval process. Non-SES Managers. Must clear ICTAP.	<ul style="list-style-type: none"> • Principal Deputy Assistant Secretary for PMB; SES ERB; Must clear ICTAP. 	<ul style="list-style-type: none"> • Bureau/Center/Office Director
Recruitment Process	Cost Center submits request to fill vacancy including Position Description; vacancy announcement is advertised if more than 120 day appointment; employee completes new set of entrance on duty forms		<ul style="list-style-type: none"> • Not Applicable. Bureau/ Office approval required
Annuity continues	In most circumstances – Offset required	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Receive 50% of full annuity
Rehire Eligibility	Retired	<ul style="list-style-type: none"> • Retired 	<ul style="list-style-type: none"> • Eligible for Optional Retirement
Offset to Salary	Determine hourly retirement annuity amount and subtract from hourly salary	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Receive 50% of full annuity
FERS Annuity Supplement	Payable if Applicable to Retiree	<ul style="list-style-type: none"> • Payable if Applicable to Retiree 	<ul style="list-style-type: none"> • During Phased Retirement the annuity supplement cannot be paid to FERS-covered phased retirees. Not payable until Full Retirement (if younger than age 62)
Retirement deductions while reemployed	CSRS retirees may elect retirement contributions deducted	<ul style="list-style-type: none"> • Social Security taxes will be withheld 	<ul style="list-style-type: none"> • Retirement deductions continue on a part-time basis
	CSRS Offset retirees will have OASDI deducted & may elect retirement contributions deducted		
	FERS retiree will automatically have retirement contributions deducted		
TSP	Automatically enrolled for 3%	<ul style="list-style-type: none"> • No 	<ul style="list-style-type: none"> • Continues eligibility to participate in TSP • Government contributions based upon basic pay received each pay period
FEHB	<ul style="list-style-type: none"> • Administered by OPM • If Annuitant wants to participate in Premium Conversion and/or is 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Phased Retiree continues to pay employee share of FEHB premium

Formal Title	Reemployed Annuitant	Part-Time Reemployment of Civilian Retirees NDAA	Phased Retirement
	newly eligible for FEHB then the FEHB is administered by the Agency		
FEDVIP	<ul style="list-style-type: none"> Administered by BENEFEDS Administered by Agency to Benefit from Pre-Tax Deduction 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Continues to be administered by Agency until Full Retirement
FGLI	<ul style="list-style-type: none"> Basic, Option A and Option C are Administered by the Agency and Suspended (When Applicable) by OPM 60-Day Election is provided for Option B to decide whether to transfer into Agency or keep with OPM 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Continues to be administered by Agency until Full Retirement Phased Retiree will continue to pay FGLI withholding as if they were a full-time employee
FSA	<ul style="list-style-type: none"> Administered by FSA 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Continues to be administered by Agency until Full Retirement
SAMBA	<ul style="list-style-type: none"> Administered by Agency 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Continues to be administered by Agency until Full Retirement
Leave Accrual and Holiday paid	<ul style="list-style-type: none"> Depends on Work Schedule , Length of Appointment and SCD-Leave-Full Time Earn 4 Hours (Sick Leave) 6 or 8 Hours (Annual Leave) Biweekly (Generally) 	<ul style="list-style-type: none"> Depends on Work Schedule, Length of Appointment and SCD-Leave-Full Time Earn 4 Hours (Sick Leave) 6 or 8 Hours (Annual Leave) Biweekly (Generally) 	<ul style="list-style-type: none"> Annual Leave – Earned 1 hour per 10 hours worked Sick Leave – Earned 1 hour per 20 hours worked Holidays are paid as part-time employee
Lump Sum Leave Payout	<ul style="list-style-type: none"> Paid when separate if eligible to accrue leave Pays Out by Direct Deposit 4 Weeks Following the Last Payroll Deposit 		<ul style="list-style-type: none"> Paid when fully retire Pays out by Direct Deposit 4-Weeks following the Last Payroll Deposit
Comp, overtime, and comp time for travel			<ul style="list-style-type: none"> May earn under an approved exception
VERA	<ul style="list-style-type: none"> May apply for RA or NDAA if retired under a VERA 		<ul style="list-style-type: none"> Not allowed if accepted VERA
VSIP	<ul style="list-style-type: none"> No 		<ul style="list-style-type: none"> When enter full retirement if eligible
RIF	<ul style="list-style-type: none"> Serves at will of appointing office 		<ul style="list-style-type: none"> Treated as a part-time employee
Ethics & Outside Employment	<ul style="list-style-type: none"> Bound by ethics rules and any restrictions on outside employment 		
	<ul style="list-style-type: none"> A supplemental annuity if one works equivalent of more than one year. 	<ul style="list-style-type: none"> Will not increase retirement benefit 	<ul style="list-style-type: none"> High 3 salary increased Part-time calculation Not eligible for FERS Supplement until fully retire if eligible

Formal Title	Reemployed Annuitant	Part-Time Reemployment of Civilian Retirees NDAA	Phased Retirement
Effect on retirement benefit	<ul style="list-style-type: none"> Annuity could be completely recalculated if works equivalent of more than five years. 		
Retirement Coverage	<ul style="list-style-type: none"> CSRS, CSRS Offset, FERS, FERS-RAE, FERS-FRAE or FICA Only 	<ul style="list-style-type: none"> FICA Only 	<ul style="list-style-type: none"> CSRS, CSRS Offset, FERS, FERS-RAE or FERS-FRAE
Death Benefits During Reemployment	<ul style="list-style-type: none"> Administered by the Agency 	<ul style="list-style-type: none"> Administered by OPM-Only Payable if Retiree Elected A Survivor Annuity 	<ul style="list-style-type: none"> Administered by the Agency
Type of Voluntary Separation from Appointment	<ul style="list-style-type: none"> Retire/Resign/Transfer/ 	<ul style="list-style-type: none"> Resign 	<ul style="list-style-type: none"> Retire to Receive Full Annuity/Accept Full-Time Employment

This chart is a general summary. Additional rules may apply in depending on the circumstances.

Sources

[5 USC 8336a](#)

[5 CFR 553.201](#)

[5 CFR §831](#)

[5 CFR §837](#)

[Volunteer for Science](#)

[CSRS and FERS Handbook – Chapter 100](#)

[FERS Reemployed Annuitant](#)

[CSRS Reemployed Annuitant](#)

[TSP Bulletin 10-7](#)

[FERS Annuity Supplement Earnings Report](#)

[Policy Guidance on NDAA](#)

[Ethics](#)

[OPM Phased Retirement Program](#)

****Any hours of training or mentoring of employees by an annuitant shall not be included in the hours of service performed for the purposes above (unless that was the primary purpose of the appointment), but those hours of training or mentoring may not exceed 520 hours per year-thus, an annuitant could possibly work 1,560 hours total during a 12 month period; bureaus and equivalent offices using this flexibility must ensure that the documentation reflects which hours are spent training and mentoring.**