



# Retirement Facts 6

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## Early Retirement Under the Civil Service Retirement System

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*This is a non-technical summary of the laws and regulations on the subject. It should not be relied upon as a sole source of information.*



**United States  
Office of  
Personnel  
Management**

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**Other titles in the Civil Service Retirement System (CSRS) Retirement Facts Series:**

- ***Retirement Facts #1*** - The Civil Service Retirement System (RI 83-1)
- ***Retirement Facts #2*** - Military Service Credit Under CSRS (RI 83-2)
- ***Retirement Facts #3*** - Deposits and Redeposits Under CSRS (RI 83-3)
- ***Retirement Facts #4*** - Disability Retirement Under CSRS (RI 83-4)
- ***Retirement Facts #5*** - Survivor Benefits Under CSRS (RI 83-5)
- ***Retirement Facts #7*** - Computing Retirement Benefits Under CSRS (RI 83-7)
- ***Retirement Facts #8*** - Credit for Unused Sick Leave Under CSRS (RI 83-8)
- ***Retirement Facts #9*** - Refunds Under CSRS (RI 83-9)
- ***Retirement Facts #10*** - Voluntary Contributions Under CSRS (RI 83-10)
- ***Retirement Facts #11*** - Information for Separating CSRS Employees Who Are Not Eligible for an Immediate Annuity (RI 83-11)
- ***Retirement Facts #12*** - Information About Reemployment for CSRS Annuitants (RI 83-18)
- ***Retirement Facts #13*** - CSRS Offset Retirement (RI 83-19)
- ***Retirement Facts #14*** - Law Enforcement and Firefighter CSRS Retirement (RI 83-20)

**Titles of Federal Employees Retirement System (FERS) Pamphlets:**

- ***FERS Pamphlet*** - FERS (RI 90-1)
- ***FERS Pamphlet*** - Information for Separating FERS Employees Who Are Not Eligible for an Immediate Annuity (RI 90-11)
- ***FERS Pamphlet*** - Information About Reemployment for FERS Annuitants (RI 90-18)

**Titles of CSRS and FERS Pamphlets:**

- Court-ordered Benefits for Former Spouses Under CSRS, FERS, FEHB\*, & FEGLI\*\* (RI84-1)
- Federal Payments That May Be Available to Federal Employees and Their Families When Employees are Injured or Die on the Job (RI 84-2)
- Life Events and Your Retirement and Insurance Benefits (*For employees*) (RI 84-3)

**Titles of Health and Life Insurance Pamphlets:**

- Temporary Continuation of Coverage (TCC) under FEHBP\* (RI79-27)
- FEGLI\*\* Booklet (RI 76-21)

\* Federal Employees Health Benefits Program

\*\* Federal Employees' Group Life Insurance

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## **Early Optional Retirement**

If your agency undergoes a major reorganization, reduction in force, or transfer of function, and a significant percentage of the employees will be separated, or will be reduced in pay, the head of your agency can ask the Office of Personnel Management (OPM) to permit early optional retirement for eligible employees. By permitting early optional retirement, OPM can lessen the impact of involuntary separations and demotions. If the head of your agency gets approval from OPM to permit early optional retirements, eligible employees will be notified of the opportunity to retire voluntarily. If you have at least 25 years of service, or you are at least age 50 and have as much as 20 years of service, you may retire voluntarily on an immediate annuity. (The annuity is reduced by 2 percent for each year you are under age 55.) At least 5 years of your service must be civilian service, and you must have been employed under the Civil Service Retirement System for at least 1 year out of the last 2 years preceding retirement.

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## **Discontinued Service Retirement Because of an Involuntary Separation**

The term "involuntary separation" means any separation against the will and without the consent of the employee, other than "for cause" for misconduct or delinquency. The most common cause of an involuntary separation is a reduction in force. Employees who decline reasonable offers of other positions are not eligible for discontinued service annuities.

A "reasonable offer" is defined as the offer of another position in your agency and commuting area for which you are qualified and which is no more than two grades or pay levels below your current grade or pay level.

"Commuting area" means the geographic area that usually constitutes one area for employment purposes. It includes any population center (or two or more neighboring ones) and the surrounding localities in which people live and reasonably can be expected to travel back and forth daily in their usual employment.

If your agency makes you an offer of reassignment to another position at the same grade and pay in the same commuting area or to another position no more than two grades below your current position and you choose to decline such an offer and resign, you will not qualify for discontinued service retirement. In addition, if your agency separates you by adverse action procedures for not complying with the directed reassignment order, your separation would not be qualifying for discontinued service.

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## **Relocation**

Another frequent cause for an involuntary separation is when the location of an office or unit is moved to an area outside the commuting area of the old worksite. As a general rule, if the new work site is in a different commuting area, and if you would have to change your place of residence in order to work at the new job site, then your separation for failure to relocate to the new work location would be a qualifying separation for retirement purposes.

An exception occurs if, when you accepted your current position, you were placed under a general mobility agreement whereby you would be subject to geographic reassignment. In that case, you would have to accompany your office's or unit's move, resign, or be separated without discontinued service annuity rights.

If you are involuntarily separated, other than for misconduct or delinquency, and you have at least 25 years of service or are at least age 50 with as much as 20 years of service, you will be entitled to an immediate annuity. (Your annuity will be reduced by 2 percent for each year you are under

age 55.) At least 5 years of your service must be civilian service, and you must have been employed under the Civil Service Retirement System for at least 1 year out of the last 2 years preceding retirement.

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### **Effect of Reemployment on Retirement Benefits**

If you are reemployed after receiving an annuity based on a discontinued service retirement, and your reemployment is in a position that normally would be subject to retirement deductions, your annuity will be terminated. Your future annuity benefits would then be redetermined based on your separation from the reemployment service.

If you are (1) reemployed in a position that is excluded from retirement coverage after retiring based on a discontinued service retirement, or (2) reemployed after retiring voluntarily under an early optional retirement authority, your annuity will continue, but the amount of annuity applicable to the period of your reemployment will be offset from your salary. In either case, you may qualify for a supplemental annuity if you are reemployed for at least 1 year. A reemployed annuitant who completes at least 5 years of service may elect to have his or her annuity redetermined under the law in effect at the time of separation from reemployment.

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### **Displaced Employee Program**

If your discontinued service retirement is based on a reduction-in-force, you may qualify for placement assistance under the career transition assistance program. See your personnel office for a copy of "The Employee's Guide to Career Transition".