

# **CALIFORNIA NATIONAL GUARD**

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## **FULL-TIME PERSONNEL HANDBOOK 831 RETIREMENT HANDBOOK**

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**1. Purpose.**

Assist Supervisors and technicians in understanding the various facets of the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS).

**2. References.**

5 Code of Federal Regulations (CFR), Chapter 831, Retirement; National Guard Bureau (NGB); Technician Personnel Regulation (TPR), Chapter 715; Civil Service Retirement System (CSRS)/Federal Employees Retirement (FERS) Handbook.; Office of Personnel Management, Retirement Department.

**3. Objectives.**

Provide explanation and clarification of qualifications and differences governing the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS).

**4. Responsibilities.**

a. The Adjutant General:

(1) Designate the Human Resources Office as the executor of the rules and regulations governing the various retirement systems and benefits.

b. Human Resource Office (HRO):

(1) Provide guidance and assistance to Supervisors, Managers, Remote Designees and Technicians in retirement and benefits.

(2) Assure that individuals applying for retirement are qualified and informed of their decisions.

(3) Assure applications for retirement are properly completed, with all pertaining documents attached for submission to the Office of Personnel Management (OPM).

c. Supervisors:

(1) Ensure that they are aware of the various facts surrounding each of their retiring technicians, as each one is an individual case with different eligibility requirements.

(2) Ensure technicians are aware of their rules and regulations governing their pending retirements.

(3) Ensure technicians comply with prompt and proper submission of applications and paperwork to the Human Resources Office for processing.

d. Technician: Technicians should be aware of their retirement regulations and benefits.

They should be as proactive as possible in ensuring that their retirement coverage is correct, any military deposits and civilian deposit/redeposit transactions are completed before they retire, all previous technician and military periods of service are appropriately represented in their Official Personnel Folder (OPF) and responsibility for working with their Remote Designees and Supervisors to ensure completion of any other necessary transactions.

Technicians are also encouraged to attend HRO sponsored Retirement Course at the beginning, mid-point, and within the last 2 years of retiring. It is ultimately the technician's responsibility to ensure their retirement is planned and executed with care.

## **5. Retirement Eligibility/Benefits.**

a. An Optional retirement is considered a "voluntary" retirement by definition of the Office of Personnel Management. A voluntary/optional retirement is a retirement in which the technician has attained the age and sufficient years of service to retire on an immediate annuity without a reduction in annuity due to age. The requirements do vary between the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS).

(1) CSRS Optional Retirement: An individual must have performed at least five years of civilian service and have been subject to the CSRS retirement system for at least one out of the last two years preceding the retirement. They must also meet one of the age and service requirements described in the chart following this chapter. Individuals who retire on a voluntary or optional basis will have their annuities commence on the day after separation if the date of separation is the 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> of the month; otherwise, the annuity will commence on the first day of the following month.

(2) FERS Optional Retirement. An individual must have performed a total of five years of creditable civilian service (which can be a combination of both FERS and CSRS) and have been subject to FERS on the date of their separation. They must also meet one of the age and service requirements described in the chart following this chapter. (Note that Optional retirements are subject to a reduction in age for each year under age 62. There will be a 5% per year reduction, for each year the person is under the age of 62). A voluntary/optional annuity commences on the first day of the following month after the date of separation.

b. Discontinued Service retirement eligibility pertains to an employee who is involuntarily separated. They must meet the requirements of age and sufficient years of service and have not declined a reasonable offer of another position. This type of retirement provides an immediate, possibly reduced annuity for individuals who are involuntarily separated. Employees who are separated for cause based on misconduct/delinquency are not eligible for this retirement. Types of involuntary separation include directed reassignment, reduction in force, expiration of appointment and job abolishment.

(1) CSRS Discontinued Service Retirement. A CSRS technician is eligible for an immediate Discontinued Service Retirement annuity if they meet the minimum civilian service requirements, the one out of two coverage requirement, the combined age and service requirements and they have not declined a reasonable offer of another job position. (A reasonable offer must be (a) in writing, (b) a position in the same commuting area, (c) a position of the same tenure and (d) not lower than two (2) grades/pay levels below the current position). A Discontinued Service annuity begins on the day after separation. Also, a CSRS retiree is

subject to a reduction for age if they are under age 55; this reduction is 2% of the total annuity, for each year they are under 55.

(2) FERS Discontinued Service Retirement. FERS technicians are eligible for retirement, provided they meet minimum service requirements. They must not have declined a reasonable offer of another position, the same as a CSRS technician. A Discontinued Service annuity begins on the day after separation. FERS retirees are not subject to any reduction for age, although they must have met the minimum requirements to begin with.

c. Disability Retirements require the technician meet certain qualifying specifications. A determination of disability is made by the Office of Personnel Management, located in Washington, D.C. The documentation provided must show that the technician can no longer perform “useful and efficient service” in their position due to disease or injury. Health status alone is not the sole consideration. A disability depends on interaction between the technician’s position and the interaction with their health status. The employee also cannot be reassigned to another position at the same grade/pay level within the same commuting area. The disease or injury does not have to be job related. If it is, the person may have a choice between retirement benefits and Office of Workers’ Compensation Program (OWCP) benefits. They cannot receive both at the same time.

(1) CSRS Disability Retirement. CSRS technicians may apply for disability benefits provided they have at least five years of creditable civilian service and meet the criteria for being disabled. They do not have to meet the one out of two requirements. An annuity commences on the day after separation or the day after the employee’s pay status terminates.

(2) FERS Disability Retirement. A technician covered by the FERS system may apply for disability benefits as long as they have at least eighteen months of creditable civilian service and meet the criteria for being disabled. An annuity commences on the day after separation or the day after the employee’s pay status terminates.

d. Deferred Retirement. A Deferred Retirement will pay an annuity at a future date to an employee who separates from a position subject to retirement coverage before qualifying for an immediate annuity.

(1) CSRS Deferred Retirement. A former CSRS employee is entitled to a Deferred annuity if they do not take a refund of retirement deductions after separating from service, meets the minimum civilian service and one out of two requirements and is not eligible for an immediate annuity. Deferred annuities commence on the former employee’s sixty-second birthday.

(2) FERS Deferred Retirement. A former FERS employee is entitled to a Deferred annuity if they do not take a refund of retirement deductions after separating from service, have at least five years of creditable civilian service and is not eligible for an immediate annuity. Former employees may receive an unreduced deferred annuity provided they meet the requirements discussed for separated FERS technicians. Annuities will commence on the first day of the month after the individual turns age sixty-two.

e. Retirement Estimates.

(1) Technicians may request to receive a technician retirement annuity estimate by completing CNG Form 690-46, Technician Retirement Estimate Request (available on HRO website) and forward it to the Human Resource Office, ATTN: Customer Service. Please allow for sufficient processing time.

(2) Keep in mind that this is just an *estimate*. The Office of Personnel Management (OPM) is the final authority on all retirement applications, creditable periods of service and annuity calculations.

f. Deposit for Military Service (Military Buyback). A technician may find out the amount of earnings received for creditable military service by completing OPM Form RI 20-97 (Service Credit Payments for Post 1956 Military Service). The RI 20-97 is then sent to the appropriate Military Pay Center listed on the back of the form. When the RI 20-97 is returned to the technician with the military pay information, it is then sent to the Directorate for Human Resources for further instructions on completing the Military Deposit.

#### **6. Health Benefits Eligibility.**

a. Eligibility to continue Health Benefits. Retirees must have had their Federal Employees Health Benefits (FEHB) for at least five years prior to their retirement, or have elected it at their first opportunity. They are entitled to continue coverage for life, unless they cancel or waive their FEHB as a retiree. If a potential retiree does not meet the five year requirement, they can write a letter to the Office of Personnel Management, explain their situation and ask that the requirement be waived and they be allowed to elect and continue FEHB into their retirement. TRICARE is an eligible federal health plan for the 5-year requirement; *however, the member must be in an approved official civilian FEHB on the day they retire.*

b. Open Season. FEHB Open Season for retired technicians is the same as for regular employees during the November/December timeframe each year. Ensure your mailing address is kept current with OPM. They will mail you pertinent information regarding FEHB documents and changes; these may affect you and your retirement.

c. Changing carriers as a retiree. Retirees can change their health benefit providers during Open Season by filing directly with OPM. OPM will contact retirees at their home mailing address with Open Season information and forms.

#### **7. Life Insurance Eligibility.**

Eligibility to continue Federal Employees Group Life Insurance (FEGLI). Retirees may continue their Life Insurance into retirement, provided they have had it for at least five years prior to their retirement, or they have elected it at their first opportunity.

#### **8. Sick Leave/Annual Leave.**

a. Sick Leave. Civil Service Retirement System (CSRS) retirees receive credit for any unused Sick Leave toward their total years and months of technician service. Federal Employees Retirement System (FERS) retirees do not receive credit for their unused Sick Leave. If re-employed at any future date, the sick leave for FERS employees will be restored.

b. Unused Annual Leave. Both CSRS and FERS retirees are paid in full for their unused Annual leave. This leave is paid with the technician's final paycheck as a Federal employee.