

25 May 1955

MEMORANDUM FOR THE RECORD

SUBJECT: Reemployment of a Retired Civilian Employee

1. The question was raised as to whether or not an employee of this Agency who is retired after reaching age 60 can be reemployed. Also whether or not said employee could be hired on a non-personal service contract after his retirement at age 60.

2. With regard to the first question it was determined that when an annuitant has reached age 60 and is reemployed by the Federal Government, no deduction for the retirement fund will be withheld from his salary. The Agency will however, deduct the total annuity payable to such person from the total salary for the position. When the annuitant is under age 60, and the employment is within the purview of the Retirement Act, the annuity is terminated and the employee's future retirement rights will be determined in accordance with the retirement law in effect at the time of his subsequent separation. If the annuitant is reemployed in a position which is not covered by the Retirement Act (e.g., a position of consultant under Social Security coverage), the annuity is suspended during the reemployment and resumed upon separation. (For provisions of computation of salary of retired employee upon his reemployment see CFR Chapter F1, Section 2, paragraph 2-4.)

3. In reply to the second question, Miss DiVetta, Claims Section, Retirement Division, Civil Service Commission (Telephone Code 141, ext. 5013), advised that employment under a non-personal services contract is not creditable toward retirement and, in view of this, a retired annuitant could receive both his full retirement and payment for the completed job under the non-personal services contract. CPM Chapter A2, paragraphs 5.6a and 5.6b, define what is meant by services obtained on a "personal services contract" (under which the provisions of paragraph 2 above would be applicable) and services obtained "by contract." This latter group provides that payment for such services usually is made for a finished product (e.g., a book) on a lump-sum or fee basis.

4. Miss DiVetta was also questioned regarding employees who are retired for disability. She advised that where an employee is under age 60 and retires for disability, reemployment by the Federal Government will in effect verify that he is able to work and his disability retirement will be stopped. If the same employee is employed in private industry (doing the same or similar type of work for which he was retired) there is a good chance that his disability retirement will stop. Each claim is settled on an individual basis.

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RHS

QUESTION: When is the retirement check paid

ANSWER: The retirement check is paid on the first day following the month in which the employee established eligibility.

EXAMPLE

If the employee retired on 31 July, the Payroll Section of the Agency would complete his payroll statement and forward it together with the employee's application for retirement, to the Retirement Division of the Civil Service Commission. The Commission normally would process the application within two weeks. The check would then be made out on the first of September for the month of August. After that a check would be mailed the first of each month for the previous month.

QUESTION: What effect does the fact that a person has not completed 15 years service have on his insurance (Group Life Insurance).

ANSWER: If the employee retires on a 5 year discontinued service annuity and NOT on a disability retirement, he would not be eligible for the free Government Life Insurance. However if the employee has completed 15 years of service at age 62, his insurance would not be effected regardless of the reason for retirement.