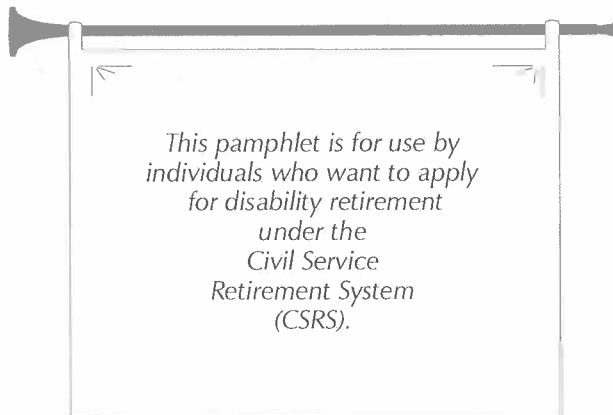


CSRS

Civil Service
Retirement System

Information About Disability Retirement (CSRS)



UNITED STATES OFFICE OF
PERSONNEL MANAGEMENT

RETIREMENT AND INSURANCE
SERVICE

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When To Consider Applying for Disability Retirement

You should consider applying for disability retirement only after you have provided your employing agency with complete documentation of your medical condition and your agency has exhausted all reasonable attempts to retain you in a productive capacity, through accommodation, reassignment, etc. ("Accommodation" means an adjustment made to a job and/or work environment that enables a handicapped person to perform the duties of that position.)

Applying for Disability Retirement

If you are applying for disability retirement, you must complete SF 2801, *Application for Immediate Retirement*, and SF 3112, *Documentation in Support of Disability Retirement*. Your employing agency may help you complete these forms and if you are still on the agency payroll will forward the completed forms to the Office of Personnel Management (OPM). However, it is your responsibility to obtain all the information necessary for OPM to make a decision on your claim. This includes providing all of the required forms and documentation.

If you are covered by the CSRS Offset retirement system (if both Civil Service Retirement and social security are withheld each pay period), it is your responsibility to document that you applied for social security disability benefits *AFTER YOU SEPARATE FROM YOUR AGENCY*. OPM cannot pay you a disability retirement without this information. If you are a CSRS Offset retiree and you are awarded social security disability benefits at any time after you have applied for or are receiving disability annuity from OPM, you must notify OPM of the effective date of the social security benefits.

Important: CSRS Offset retirees are subject to a reduction in their payments from OPM if the Social Security Administration (SSA) pays them a benefit and uses the CSRS Offset service to increase that benefit. Since this may result in an overpayment of OPM annuity, you should **NOT** negotiate or spend monies you receive from SSA until your annuity from OPM has been reduced. The payments from SSA will be needed to pay OPM for the reduction which should have been made in the CSRS Offset annuity.

If You Have Been Separated from Federal Service for More Than 31 Days

Your application for disability retirement must be received by OPM within one year after the date of your separation (see item 4 under “Eligibility Requirements for Disability Retirement”). If you have been separated from Federal service for more than 31 days, your former employing agency may no longer have your personnel records and may not be able to recover them in time to process your disability retirement application and submit it to OPM within the one-year time limit. Therefore, you should submit your application directly to OPM rather than to your agency. The address is:

U.S. Office of Personnel Management
Civil Service Retirement System
Retirement Operations Center
Boyers, PA 16017-0001.

Ask your former supervisor and employing agency to complete SF 3112B, SF 3112D and SF 3112E and give them to you so you can send them to OPM. If you think you will not have the completed package in time to meet the one-year time limit, send OPM the completed SF 2801 and SF 3112A along with the name, address and telephone number of the person(s) you have asked to complete the remaining forms.

The one-year time limit for applying for disability retirement is established by law. Waiver of that time limit is permitted *only* if you were mentally incompetent to file within the established time frame. Failure to follow instructions or unfamiliarity with applicable law and regulation is not a basis for waiving the time limit. Do not delay submitting your application.

Eligibility Requirements for Disability Retirement

You must meet all of the following conditions to be eligible for disability retirement:

1. You must have completed at least five years of creditable Federal civilian service.
2. You must, while employed in a position subject to the Civil Service Retirement System (CSRS), have become disabled, because of disease or injury, for useful and efficient service in your current position. (Useful and efficient service means fully successful performance of the critical or essential

elements of the position — or the ability to perform at that level — and satisfactory conduct and attendance.)

3. The disability must be expected to last at least one year.
4. Your agency must certify that it is unable to accommodate your disabling medical condition in your present position and that it has considered you for any vacant position in the same agency, at the same grade or pay level, and within the same commuting area, for which you are qualified for reassignment. (An employee of the Postal Service is considered not qualified for reassignment if the reassignment is to a position in a different craft or is inconsistent with the terms of a collective bargaining agreement covering the employee.)
5. You, or your guardian or other interested person, must apply before your separation from service or within one year thereafter. The application must be received by OPM within one year of the date of your separation. This time limit can be waived only in instances involving incompetency. (**Note:** For more information, see *If You Have Been Separated from Federal Service for More Than 31 Days* on page 2.)

If you are a National Guard Technician being separated from your position because of a disability that disqualifies you from membership in the National Guard or from holding the military grade required for your employment, special provisions may apply to you. Contact your employing agency for the necessary information.

Required Documentation

To decide if your disability claim is allowable, OPM considers the documentary evidence you, your physician, and your agency provide. Your claim can be allowed only if the evidence establishes that you meet all of the following criteria.

1. A deficiency in service with respect to performance, conduct or attendance, or, in the absence of any actual service deficiency, a showing that your medical condition is incompatible with either useful service or retention in the position.
2. A medical condition, which is defined as a health impairment resulting from a disease or injury, including a psychiatric disease.

3. A relationship between the service deficiency and the medical condition such that the medical condition has caused the service deficiency.
4. The disability must be expected to last at least one year.
5. You became disabled while serving under the Civil Service Retirement System.
6. The inability of your employing agency to make reasonable accommodation to your medical condition.
7. The absence of another available position, within the employing agency and commuting area, at the same grade or pay level and tenure, for which you are qualified for reassignment.

OPM will not pay for any medical examination or procedure needed to provide the necessary documentation.

How Disability Applications Are Processed

If you are still employed, your employing agency will assemble the SF 3112, including Schedules A, B, C, D, and E, together with your *Application for Immediate Retirement* (SF 2801) and associated forms, your preliminary *Individual Retirement Record* (SF 2806), and all available disability documentation and send this to OPM. The disability documentation will include all documentation on file with your agency concerning your medical condition and its relationship to service deficiencies, attempts or requests to reassign or accommodate because of your medical condition, etc. The time required for assembly and submission of the application and documentation varies from agency to agency. If you are separated from the Federal service, you (or your guardian or other interested party) are responsible for seeing that your application is filed within the time limit — see *If You Have Been Separated from Federal Service for More Than 31 Days* on page 2.

Shortly after receiving your application, OPM will send you an acknowledgment letter with information and a claim number (beginning with the letters “CSA”). **Note:** Receipt of an acknowledgment and a CSA claim number does *not* mean your disability application has been approved. Any inquiries before you receive this acknowledgment and claim number must be addressed to your employing agency. Any inquiries to OPM *must* refer to your claim number.

OPM will examine your application and supporting documentation to determine whether a finding of disability is warranted. You or your employing agency may be contacted if additional information is needed. Both you and your agency will be notified of the allowance or disallowance of your application. In the case of disallowance, you will also be given information about requesting reconsideration.

You or your agency should notify OPM of any change in your status, such as a change in your current job or assignment. If, while OPM is processing your claim, you decide to withdraw your application, you must notify us in writing of the withdrawal request. Such a request can be accepted if it is received by OPM before your application is approved *or* before you have been separated from your agency, whichever is later. Also, if you file a non-disability retirement application with OPM at any time before separation from your agency, OPM will consider this action to be a withdrawal of the disability application.

If your application is approved, your employing agency will be requested to separate you from its rolls and send OPM your final retirement records. The actual date of separation is a matter to be determined by your agency.

OPM begins estimated monthly payments *only* after the disability application has been allowed and your agency has notified OPM of the date your pay stopped. Interim payments are intended to help you financially until OPM can compute the actual amount of your annuity.

Computation of your *actual* monthly annuity payments can be completed only after your final retirement records and all supporting documentation have been received by OPM.

Disability Annuity Computation

A disability retiree is entitled to an “earned” annuity computed under the general formula (described under “How Annuities Are Computed,” in SF 2801, *Application for Immediate Retirement*). However, the law guarantees a minimum annuity to employees who retire because of disability. If the “earned” annuity is less than the guaranteed minimum, the minimum becomes the basic annuity, except as explained under **Exception** on page 6. The guaranteed minimum is not a fixed amount but varies from one employee to another, depending on age, service, and average salary. It is the *lesser* of the following:

1. 40% of the employee's "high-3" average salary, or
2. The amount obtained under the general formula after increasing the actual creditable service by the time remaining from the commencing date of annuity to the date of the employee's 60th birthday.

Your "high-3" average salary is figured by averaging your highest basic pay over any three years of consecutive service. These three years are usually your final three years of service, but can be an earlier period. Your basic pay is the basic salary you earn for your position. It includes increases to your salary for which retirement deductions are withheld, such as for shift rates, night shift differential, etc. It does not include payments for overtime, bonuses, etc.

A redeposit must be paid if service for which retirement deductions were refunded is to be used in the computation of the annuity. A deposit must be paid for service performed on or after October 1, 1982, during which retirement deductions were not withheld from pay, if the service is to be used in the computation of the annuity. However, the basic "earned" annuity, or the guaranteed minimum annuity computed under 2 above, is reduced by 10 percent of the amount of unpaid deposit for service before October 1, 1982.

If the general formula will produce a larger basic annuity than the guaranteed minimum, the general formula applies. Because of the percentage and age limitations on the guaranteed minimum annuity (i.e., 40 percent of the average pay and service projected to age 60), the guaranteed minimum does not apply if the retiree is age 60 or over or has enough service to produce a basic annuity of 40 percent or more of average pay (generally 21 years and 11 months of service).

Exception: Employees who are receiving military retired pay or compensation from the Department of Veterans Affairs (VA) in lieu of military retired pay are not eligible for the guaranteed minimum disability annuity computation.

The military service for such employees cannot be used in the computation of the annuity unless the employee waives the receipt of military retired pay (or the VA compensation) or unless the military retired pay was awarded:

- Because of a service-connected disability incurred in combat with an enemy of the United States; or
- Because of a service-connected disability caused by an instrumentality of war and incurred in the line of duty during a period of war; or
- Under the provisions of title 10, United States Code, chapter 1223, Sections 12731 through 12739 (formerly chapter 67, title 10), which grants retired pay to members of the reserve components of the armed forces on the basis of age and service (active and reserve).

If the military retired pay, VA compensation, and the earned annuity combined are less than the guaranteed minimum, the annuity will be increased by the dollar amount of the difference.

Duration of Annuity

Disability annuity benefits begin accruing on the first day after your pay as an employee stops and disability and service requirements have been met. The first payment is due the first business day of the month after benefits begin accruing. Annuity is not payable for any period of time for which compensation (other than a scheduled award) is paid by the Office of Workers' Compensation Programs (OWCP); U.S. Department of Labor. Applicants found eligible for continuing benefits from OWCP and a disability retirement annuity from OPM must elect payments from one or the other. The law prohibits simultaneous receipt of continuing OWCP payments and a disability retirement annuity from OPM.

Under current law and regulations, a disability annuity continues until you are found recovered, restored to earning capacity, reemployed in the Federal service, or die. Each of these situations is explained below.

Medical Recovery —

If you are a disability retiree under age 60, OPM may require periodic reevaluations of your medical condition to determine if you have recovered from your disability. (Any disability retiree under age 60 may have his or her eligibility for continued annuity payments reviewed at any time it is considered necessary by OPM.) You pay the cost of providing any medical information OPM needs to review your medical condition. If OPM finds you recovered, your disability annuity payments will stop one year from the date of the medical examination showing your recovery or on the date you are

reemployed in the Federal service, whichever occurs first. After you turn age 60, OPM will review your medical condition only at your request.

Restoration of Earning Capacity —

If you are a disability retiree under age 60, there is a limit on the amount you can earn from wages and self-employment and still be entitled to your annuity. Each year, OPM will send you a questionnaire to complete and return in order to determine your earnings for the previous calendar year. If your earnings in any calendar year equal at least 80 percent of the current salary rate of the position from which you retired, your earning capacity will be considered restored. Even if there is no change in your medical condition, your disability annuity payments will stop six months from the end of the calendar year in which your earning capacity is restored or on the date you are reemployed in the Federal service, whichever occurs first. After you turn age 60, there is no restriction on the amount of wages or earnings from self-employment you may receive.

If you have been found restored to earning capacity, your earnings for any calendar year fall below 80 percent of the current salary rate of the position from which you retired, and you are under age 62, you may request OPM to reinstate your disability retirement annuity. If you request reinstatement of your annuity, you must provide documentation showing that your income is below the 80 percent level and that the disease or condition on which your disability retirement was approved still exists. If OPM reinstates your annuity, it will begin as of January 1 of the year following the year your earnings were less than 80 percent of the current salary rate of the position from which you retired.

Reemployment in the Federal Service After You Retire —

If you retire on disability, you may be reemployed in any position for which you are qualified. OPM does not need to make a recovery determination prior to your reemployment.

The law does not require that your former employing agency or any other Federal agency automatically offer you a position if OPM finds that you are medically recovered or restored to earning capacity. However, if either of these occurs, you may be eligible for selection priority for competitive service jobs in Federal agencies under OPM's Interagency Career Transition Assistance Plan (ICTAP). The notice to inform you that you are no longer eligible for a disability annuity will give you information about ICTAP.

If you are reemployed in the Federal government, your reemployment will affect your receipt of annuity or amount of salary. If you are under age 60 when you are reemployed, the following applies:

1. If you are reemployed in a non-permanent position or a position with a lower salary than the current salary of the position from which you retired, your annuity payments will continue and your agency will reduce your salary by the amount of your annuity. You will be subject to the 80 percent earnings limitation as explained above under *Restoration of Earning Capacity*. The full amount of your salary (gross salary, not the reduced amount you receive) must be reported on the annual questionnaire and will serve as a basis for determining if you have exceeded the 80 percent earnings limitation.
2. If you were not previously found recovered or restored to earning capacity and you are reemployed in a permanent position with a salary equal to or greater than the current salary of the position from which you retired, you will be found recovered on the basis of employability. Your annuity will stop when this finding is made, and OPM will notify your agency to stop reducing your salary by the amount of your annuity. If your job is covered by Federal retirement law, your agency will then begin withholding retirement deductions from your salary.
3. If you were previously found recovered or restored to earning capacity and your annuity is being paid temporarily after the finding was made, your annuity payments will stop on the date you are reemployed in the Federal service, regardless of the type of your appointment.

If you are over age 60 when you are Federally reemployed, your annuity payments will continue and your salary will be reduced by the amount of your annuity. In this situation, if you are reemployed in a permanent position with a salary equal to or greater than the current salary of the position from which you retired, you will *not* be found recovered on the basis of employability unless you specifically request to be found recovered. Your annuity will stop only if this finding is made.

You must always tell the agency where you are seeking reemployment that you are a civil service retiree, even though you may be receiving OWCP benefits in lieu of CSRS benefits, so that proper action can be taken by the agency and OPM in the event you are reemployed. If you become reemployed in the Federal service, you must notify OPM, Retirement Operations Center, Boyers, PA 16017. If possible, provide a copy of the personnel document showing your appointment and provide the full name and address of your employing agency. Be sure to give your retirement claim number (CSA number).

Receipt of Benefits from OWCP, U.S. Department of Labor

The approval of a claim for benefits by the Office of Workers' Compensation Programs (OWCP), U.S. Department of Labor, for a work-related injury or illness does *not* automatically entitle an employee to CSRS disability retirement. A claim for disability retirement should also be filed with the Office of Personnel Management. If you are approved for disability retirement and elect to provide survivor benefit protection, you will protect the rights of your eligible survivors to receive annuity benefits after your death. In addition, this will protect your own annuity rights in the event you lose entitlement to benefits from OWCP. Your application for disability retirement must be received by OPM within one year from the date of your separation by your agency in order to be timely filed.

In general, you may *not* receive annuity payments from OPM and OWCP payments for the same period of time. (See information below on when you may receive both payments.) The law prohibits the dual compensation that would exist if you receive both a civil service annuity and OWCP payments for total or partial disability under the Federal Employees' Compensation Act. However, if you are eligible for a civil service annuity and OWCP payments for total or partial disability, you may elect which of the two benefits you want to receive. Any overpayment of OWCP benefits or annuity you receive is subject to collection by the Office of Personnel Management or the Office of Workers' Compensation Programs.

If you do not apply for retirement or your annuity payments are suspended while you are in receipt of OWCP payments, you may be eligible to receive a refund of your retirement contributions if any remain to your credit in the Retirement Fund. However, if you receive a refund, your right to an annuity and the rights of your survivors to CSRS benefits are forfeited. If you receive the refund, you would *not* be eligible to receive civil service annuity benefits if your OWCP benefit is terminated or reduced. In addition, if your OWCP benefit is terminated, your Federal Employees' Group Life Insurance coverage, if any, would also end without the right to convert to an individual policy.

You may receive concurrent payment of annuity and OWCP benefits for the same period of time *only* if:

1. You are receiving a *scheduled award* from OWCP. A *scheduled award* is usually paid when there is a disability resulting from the loss, or loss of use, of a function or member of the body (such as a hearing loss or the loss of an arm). If your OWCP award is based on total or partial disability (that is, a non-scheduled award), you may not receive an annuity during the same period that you are in receipt of OWCP benefits, or

2. You are receiving OWCP benefits due to the death of another person and you are eligible for annuity on the basis of your own Federal service, or
3. Your OWCP payments are suspended because you are receiving a financial settlement from the party directly responsible for the injury (a third party settlement). In this instance, your annuity may be paid during the period that your OWCP benefits are suspended.

Please include, as part of your SF 3112 submission, all medical evidence submitted to OWCP in connection with your OWCP claim and any OWCP evaluation of your claim.

Important: If, after you retire, you are receiving civil service annuity payments and a scheduled award is changed to a non-scheduled OWCP benefit, you must immediately notify OPM. Otherwise, you will incur an indebtedness to the U.S. Government which will be subject to collection from your benefits.

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