

Reinstatement of Disability Annuity Previously Terminated Because of Restoration to Earning Capacity

If your disability annuity was terminated because you were restored to earning capacity, the following information applies to you. You may have your disability annuity reinstated effective the first of the year **following** any calendar year in which your income from wages and self-employment fell below 80 percent of the current rate of basic pay for the position you occupied immediately before retirement, provided:

- You have not recovered medically from the disability for which you retired.
- You have not been employed in the Federal service in a position under the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS).
- You have not reached age 62 (or had not reached age 62 on December 31st of the year in which your income fell below the 80 percent point).

How To Apply For Reinstatement of Disability Annuity

1. You must wait until after January 1st of the year following the year in which your earnings fall below the 80 percent limitation.
2. **No special form is needed to apply for reinstatement of disability annuity.** Apply by sending your written, signed request to the Office of Personnel Management, Retirement Surveys and Students, 1900 E Street, NW, Washington, DC 20415-0001. Be sure to give your full name, CSA number, date of birth, current address, and the information requested in items 3 - 5. If your marital status has changed since your annuity was terminated, your letter should state your current marital status. Also, please provide your e-mail address in case OPM needs to contact you.
3. **Your letter must clearly show whether you have been reemployed in the Federal service since you were found restored to earning capacity.** If you have not been reemployed by the Federal government, state this in your letter. If you have been reemployed in the Federal service, you must furnish the exact name and address of your employing agency, dates of reemployment, and the title of your position. In addition, you must specifically state whether the reemployment is, or was, under CSRS or FERS. If available, submit a copy of your latest SF 50. *(If you are reemployed by the Federal government but are not subject to CSRS or FERS deductions, you are eligible to apply for reinstatement of your disability retirement; however, your salary must be reduced by the amount of annuity allocable to the period of reemployment in order to avoid dual compensation.)*
4. **Attach to your letter a report of a current medical examination describing in detail the nature and extent of your disability.** Before a decision may be reached concerning reinstatement of disability annuity due to loss of earning capacity, it will be necessary to establish that you still have the disability for which you originally retired. The decision as to your continuing disability will be based on the medical evidence you submit. Since it is your responsibility to document your continuing disability, OPM will not pay for the cost of this examination. If you fail to submit a current medical examination report, your annuity will not be reinstated until such time as the medical documentation supporting your continued disability is received.
5. **Attach to your letter evidence showing your total income from wages and self-employment in the calendar year for which you are claiming income below 80 percent of the current rate of basic pay for the position from which you retired.** Items which may be submitted as evidence are:
 - A. A copy of your federal income tax return, *IRS Form 1040*, **and** a copy of your withholding statements, *Form W-2*. If you submit a copy of a joint tax return, you should provide a breakdown of the earnings shown so we know how much **you** earned.
 - B. Statement(s) from your employer(s) showing income paid to you during the previous calendar year for which you are claiming income below 80 percent.
 - C. As necessary, a statement from you supplementing or submitting for any of the items mentioned in A and B above. For example, if you submit *Withholding Statement(s)*, *Form W-2*, or statement(s) from your employer(s), your letter must certify that the statement(s) represent your total income from wages and self-employment or must give such additional information as is needed to provide a complete picture of your income from these sources during the calendar year. If you are unable to submit any of the items of evidence mentioned above, your letter should explain why and furnish details of your total income from wages and self-employment for consideration.
 - D. If forms *W-2* and income tax returns are not available, you may submit a computer printout you obtain from any Social Security Administration office showing your earnings *(even if the amount is zero)*.

How To Determine Amount of Income You Should Report

Include as Income -As explained below, include all income from wages and self-employment that you actually received plus deferred income you actually earned in the calendar year for which you are claiming income below 80 percent of the current rate of basic pay for the position from which you retired. Do not include money received before your retirement.

- Income from wages is any gross salary or pay you received for working for someone else (including overtime, vacation pay, bonuses, severance pay, etc.).
- Income from self-employment is any net profit you made from working or managing your own business, whether at home or elsewhere. Net profit is the amount remaining after deduction of business expenses as allowed by the Internal Revenue Service and before the deduction of any personal expenses or benefits from the business to you.
- Deferred income is any income you earned but did not receive in the calendar year.
- If you are reemployed in the Federal service and your salary is reduced by the gross amount of your annuity, you must include as income the gross amount of your salary before the reduction.

If all or a portion of your income was derived from a **partnership, corporation, or sole proprietorship**, please enclose a detailed explanation including the following items: income you received directly from wages, fringe benefits, and employee expenses; gross revenue and pre-tax profit of the enterprise; number of workers employed (if a partnership, give the number of partners); your role or position and hours worked; the principal product produced or service supplied; and your total cash investment and percentage of ownership in the enterprise (include your individual share plus shares held by immediate family members). Report separately income received from independent businesses and salary received for working for someone else.

Do not report as income - Any of the following items, unless they are employment related

- Gifts
- Income from Civil Service retirement benefits, pensions, annuities, military retired pay, Social Security benefits, and veteran's benefits
- Insurance proceeds
- Unemployment compensation
- Rents or royalties unless received in the course of your trade or business
- Withdrawals from 401k plans
- Interest or dividends from savings accounts, stocks, personal loans, or home mortgages held
- Money which you earned before retirement
- Workers' compensation
- Amounts received in court actions
- Inheritances, trusts, estates, or endowments
- Capital gains from sale of real or personal property
- Prizes, awards, gambling or lottery winnings
- Fellowships or scholarships
- Business losses
- Pay for jury duty

Information About Reinstated Annuity

A CSRS annuity is reinstated at the same monthly rate the individual was receiving when the disability annuity ended. A FERS annuity is reinstated at 60% of the average salary minus 100% of any Social Security benefit payable and is adjusted after one year to 40% of the average salary minus 60% of any Social Security benefit payable. However, if the individual is eligible for an immediate, earned annuity based on age and service or the earned annuity is higher than the 60% or 40% rate, the earned annuity (1% x high-3 average salary x years/months of service) is payable.

Reinstated annuities begin on the first day of the year following the calendar year in which income from wages and self-employment fell below 80 percent of the current rate of basic pay for the position occupied immediately before retirement. The survivor election made when the individual retired for disability will apply to the reinstated annuity if the marital status is the same. The reinstated annuity does not include any increase granted during the period when disability annuity was not payable. A reinstated disability annuitant can be re-enrolled in health benefits and life insurance coverage if enrollment in these programs was in effect on the date the annuity was terminated.

Warning

Applications for reinstatement are subject to verification by personal investigation and computer matching with records from other government agencies. Any intentionally false statement, willful concealment of a material fact, or use of a writing or document knowing the same to contain a false, fictitious, or fraudulent statement or entry, is a violation of the law punishable by a fine of not more than \$10,000 or imprisonment of not more than 5 years, or both. (18 U.S.C. 1001)

Privacy Act Statement

Pursuant to 5 U.S.C. § 552a(e)(3), this Privacy Act Statement serves to inform you of why OPM is requesting the information on this form. **Authority:** OPM is authorized to collect the information requested on this form by 5 U.S.C., Chapter 83, Sections: 8337 & 8347(a) and Chapter 84, Section 8455 provide for the restoration of a disability annuity which has been terminated because the annuitant's earnings were 80 percent of the current rate of pay for the position occupied immediately before retirement. **Purpose:** OPM is requesting this information in order to determine your eligibility to have your annuity reinstated. **Routine Uses:** The information may be shared externally as a "routine use" to other Federal agencies and third-parties when it is necessary to process your election. For example, OPM may share your information with other Federal, state, or local agencies and organizations in order to determine benefits under their programs, to obtain information necessary for a determination of your eligibility for a reinstatement of your annuity or to report income for tax purposes. OPM may also share your information with law enforcement agencies if it becomes aware of a violation or potential violation of civil or criminal law. A complete list of the routine uses can be found in *OPM/Central 1 Civil Service Retirement and Insurance Records* system of records notice, available at www.opm.gov/privacy. **Consequences of Failure to Provide Information:** Providing this information to OPM is voluntary. However, failure to provide this information may delay or prevent our determination of your eligibility for reinstatement of your annuity.

Public Burden Statement

We estimate this form takes an average 1 hour per response, including the time for reviewing instructions, getting the needed data, and writing to request reinstatement. Send comments regarding our estimate or any other aspect of this form, including suggestions for reducing the time it takes to prepare your request, to the Office of Personnel Management (OPM), Retirement Services Publications Team (3206-0138), Washington, DC 20415-0001. The OMB Number, 3206-0138 is currently valid. OPM may not collect this information, and you are not required to respond, unless this number is displayed.