

APPROVED

OPM
U.S. OFFICE OF PERSONNEL MANAGEMENT

December 12, 2017

John Smith
123 Apple Street
Reston, VA 20191

Re: Disability Retirement Application - Example Approval Letter

Dear Mr. Smith:

We are pleased to inform you that your disability retirement application has been approved under the Federal Employees Retirement System (FERS) and to provide information that will be helpful in your transition from employment to retirement. It explains the steps that must be taken before you can begin receiving annuity payments. It provides important information on other factors that may have a major impact on your disability retirement.

Interim Payments

According to the information we received from your agency, you have been separated from Federal service. We will notify your agency that your disability retirement has been approved and ask them to forward your final separation records to us, including your last day in a pay status. Interim annuity payments cannot start until after your last day of pay. If your separation from Federal service was not recent, your records may have been sent to the National Personnel Records Center in St. Louis, Missouri, which may require additional time for your agency to retrieve and send to us. Once we are advised of your last day in a pay status we will authorize interim payments, which are usually about 80 percent of the amount of your actual monthly annuity payments. You should receive your first interim payment within 10 days of your agency certifying your last day in pay to us. You will continue to receive interim payments on the first business day of each month until we complete the processing of your application for a disability retirement.

Social Security Administration Awards

We cannot start your annuity payments until we receive confirmation that you have applied for Social Security disability benefits. If you have not already done so, you must apply for them now and send us a copy of the receipt that they will send to you. If you have already sent us a copy of the receipt, you do not need to take any action.

If the Social Security Administration awards you monthly benefits, you must immediately notify us of the amount and the effective date of the monthly benefit.

You can do this by sending us a photocopy of their award notice or their statement

showing the monthly benefit amount and the effective date they determined your eligibility began. We conduct periodic checks against Social Security records to discover unreported awards.

You should send their application receipt and notification that you have been approved for Social Security benefits to the U.S. Office of Personnel Management, Federal Employees Retirement System, Boyers, PA 16017. We will continue processing your claim after we receive the final records from your employing agency and a receipt or other confirmation that you have applied for Social Security benefits.

If you are under age 62, your FERS disability benefits for the first 12 months will be equal to 60 percent of your high-three year average salary minus 100 percent of your Social Security benefit for any month in which you are entitled to Social Security disability benefits. After the first year, your disability annuity will be equal to 40 percent of your high-three year average salary minus 60 percent of your Social Security benefit for any month in which you are entitled to Social Security disability benefits. FERS disability benefits usually begin before the claim for Social Security benefits is fully processed. Because the FERS disability benefit must be reduced by 100 percent of any Social Security benefit payable for 12 months, Social Security checks should not be negotiated until the FERS benefit has been reduced. The Social Security checks will be needed to pay OPM for the reduction which should have been made in the FERS annuity.

U.S. Dept. of Labor's Office of Workers' Compensation Program (OWCP) Benefits

In general, you may not receive annuity payments from both OPM and OWCP for the same period of time. However, if you are eligible to receive a civil service annuity and an OWCP Non-Scheduled Total or Partial Award for the same period of time, you may elect which benefit you want to receive. You may receive payments from both OPM and OWCP for the same period of time only if, (1) you are receiving OWCP payments for a Scheduled (loss of limb or function) Award, (2) you are receiving OWCP payments due to the death of another person and you are eligible for receiving an annuity on the basis of your own Federal service, or (3) in place of receiving an OWCP Non-Scheduled Total or Partial Award, you are receiving a Third Party Settlement from the party directly responsible for your injury. If you are receiving OWCP payments but not for one of the three reasons stated above and are also receiving payments from OPM, please contact us by calling 1(888) 767-6738, or by writing to the U.S. Office of Personnel Management, Retirement Operations Center, Boyers, PA 16017.

Recovery Situations

If you are under age 60, we may ask you from time to time to submit detailed medical evidence to show your condition continues to be disabling. If the medical evidence shows your condition has improved to the point where you can again perform the duties of your previous position, we will find that you are recovered from your disabling medical condition. With such a finding, annuity payments will stop on the first day of the month beginning one year after the date of the medical examination showing your recovery.

Furthermore, we will honor a written and signed statement of medical recovery that you voluntarily submit if the medical documentation on file does not demonstrate mental incompetency. Disability annuity payments will stop on the first day of the month beginning one year after the date of your voluntary statement. If you are reemployed into a permanent position with the Federal Government at any time before age 60 at the same or higher grade/pay level and tenure as the position from which you retired, you will be found recovered. Disability annuity payments will stop on the first day of the month following the month of the recovery finding.

If you are found recovered from any of these situations, your former employing agency is not obligated to rehire you into your former position, or any other position. If your annuity payments are stopped because you are found medically recovered, you may be eligible for a deferred annuity at age 62, or at an earlier date if you meet the service criteria for a discontinued service retirement.

Restoration of Earning Capacity

If you are under age 60 and working in a non-federal position, there is a limit on the amount you can earn from wages and self-employment and still be entitled to your annuity payment. If your earnings in any calendar year equal at least 80 percent of the current salary of the position from which you retired, we will find your earning capacity to have been restored. Disability annuity payments will stop six months from the end of the calendar year in which your earning capacity is restored.

Medicare

If you believe you qualify for Medicare, you should contact the Social Security Administration promptly at 1-800-772-1213 to make arrangements for filing an application. A delay in filing could result in a delay in the date your Medicare entitlement may begin.

Reporting Responsibilities

Be sure to notify us if you are reemployed with the Federal Government, your marital status changes, or there is a change in either the address where your payments are sent or the address where you wish us to send correspondence and notices. You can report these events and ask questions concerning this letter to our Retirement Information Office at 1(888) 767-6738, or by writing to the U.S. Office of Personnel Management, Retirement Operations Center, Boyers, PA 16017. Be sure to include your Civil Service Annuity (CSA) claim number on any correspondence and keep this letter for future reference. For more information about disability retirement you can visit our website at <http://www.opm.gov/retire>.

Sincerely,

Jennifer Jones

Jennifer Jones
OPM Legal Administrative Specialist