

GOVERNMENT OF THE DISTRICT OF COLUMBIA
D.C. Department of Human Resources

District Personnel Manual Issuance System

E-DPM Instruction No. 26A-10

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SUBJECT: Policies on the Elimination of the Annuity Offset and Reemployment of District Government-Civil Service Retirement System (CSRS) Retirees (Annuitants) – **REVISED**

Date: April 25, 2011

NOTE: This Electronic District Personnel Manual (E-DPM) instruction supersedes E-DPM Instruction No. 26A-9, *Implementation of the Policies Relating to the Elimination of the Annuity Offset and Reemployment of District Government-Civil Service Retirement System (CSRS) Retirees (Annuitants) – REVISED*, dated September 15, 2009, to: revise Paragraph 6; delete Paragraph 7(c) (regarding discontinued service retirees); and make minor revisions to the two (2) attachments. All other information contained in E-DPM Instruction No. 26A-9 remains unchanged by this issuance.

1. Purpose

This E-DPM instruction establishes the policies necessary to implement the elimination of the annuity offset which was previously applicable to certain District government-Civil Service Retirement System (CSRS) retirees reemployed with the District government.

2. Statutory Authority

- a. The District Government Reemployed Annuitant Offset Elimination Amendment Act of 2004 (Offset Act), effective December 7, 2004 (D.C. Law 15-207; D.C. Official Code § 1-611.03 (b)); and
- b. Section 807 of the Consolidated Appropriations Act of 2008, approved on December 26, 2007 (Pub. L. No. 110-161, 121 Stat. 1844 (2007)).

3. Elimination of the Annuity Offset for District Government-CSRS Reemployed Annuitants

- a. The Offset Act, effective **December 7, 2004**, eliminated the annuity offset applicable to District government-CSRS retirees reemployed with the District government. The elimination of the annuity offset pursuant to the Offset Act took "full effect" upon approval of Pub. L. No. 110-161 on **December 26, 2007**.

Note: E-DPM instructions that are strictly procedural in nature have direct applicability only to agencies and employees under the personnel authority of the Mayor. Other personnel authorities or independent agencies may adopt any or all of these procedures or guidance materials for agencies and employees under their respective jurisdictions.

Inquiries: Policy and Planning Administration, DCHR (202) 442-9644

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Retain Until Superseded

b. Section 807 of Pub. L. No. 110-161 reads as follows:

“Notwithstanding section 8344 (a) of title 5, United States Code, the amendment made by section 2 of the District Government Reemployed Annuitant Offset Elimination Amendment Act of 2004 (D.C. Law 15-207) shall apply with respect to any individual employed in an appointive or elective position with the District of Columbia government after December 7, 2004.” [Emphasis added.]

4. **Application and Impact of the Elimination of the Annuity Offset Pursuant to the Offset Act and Pub. L. No. 110-161**

**I. District Government-CSRS Retirees (Annuitants)
Reemployed after December 7, 2004:**

In accordance with the Offset Act and Pub. L. No. 110-161, the annuity offset no longer applies to a person who retired from the District government under the CSRS under regular or early retirement, and who has been or will be reemployed* with the District government after December 7, 2004. This means that, upon reemployment, the person:

- (1) **WILL CONTINUE TO RECEIVE HIS OR HER CSRS ANNUITY (pension), and WILL RECEIVE THE FULL SALARY for the position he or she occupies with the District government, WITHOUT AN OFFSET;** and
- (2) **CANNOT** use any period of reemployment with the District government (after the retirement) as the basis for requesting a *supplemental or recomputed CSRS annuity*.¹

[*For a person to be considered “reemployed” [with the District government] he or she must have had a break in service of at least one (1) workday.]

**II. Current District Government-CSRS Retirees (Annuitants)
Reemployed before December 7, 2004:**

In accordance with the Offset Act and Pub. L. No. 110-161, the annuity offset still applies to individuals who retired from the District government under the CSRS, were reemployed by the District government **before December 7, 2004**, are presently employed, and have been continuously employed with the District government during the entire period.

¹ Under 5 U.S. Code, a CSRS reemployed annuitant is eligible to receive a supplemental annuity upon retiring after a period of reemployment consisting of at least 1 year of continuous full-time (FT) service (or part-time (PT) service equivalent to 1 year of FT service). If the person completes at least 5 years of continuous FT service (or PT service equivalent to 5 years of full-time service), he or she may elect to have the entire annuity recomputed. A CSRS-retiree covered by the Offset Act and Pub. L. No. 110-61 who is reemployed by the District government **WITH NO ANNUITY OFFSET, IS NOT ELIGIBLE** for the supplemental/recomputed annuity.

5. **Benefits Eligibility of District Government-CSRS Retirees (Annuitants) Covered by the Offset Act and Pub. L. No. 110-61 who are Reemployed after December 7, 2004**

I. Retirement Benefits:

- District government-CSRS reemployed annuitants covered by the Offset Act and Pub. L. No. 110-61 **ARE NOT ELIGIBLE** to participate in the District of Columbia Retirement Benefits Program (*401 (a) Plan*) upon reemployment –

The reason is that D.C. Official Code § 1-626.03 (2006 Repl.) **limits* eligibility for District government retirement benefits to *employees **first employed [by the District government] after September 30, 1987.*

[**The term “*first employed*” is used in its literal sense, that is: (1) An individual who was employed with the District government prior to October 1, 1987, in a position subject to CSRS coverage, who subsequently terminates such employment and becomes reemployed with the District government on or after October 1, 1987 in a position subject to retirement benefits would be covered by the CSRS upon reemployment; and (2) A District government-CSRS retiree (annuitant) is considered to have been “*first employed*” [*by the District government*] prior to October 1, 1987.

II. Health and Life Insurance Benefits:

- District government-CSRS reemployed annuitants covered by the Offset Act and Pub. L. No. 110-61 **ARE NOT ELIGIBLE** to receive health/life insurance benefits upon reemployment –

The reason is that D.C. Official Code §§ 1-621.02 and 1-622.03 (2006 Repl.) **limit* eligibility for these benefits to *all employees of the District government first employed after September 30, 1987.* However, this group of employees is eligible to participate in the District government’s dental and vision plan.

III. Deferred Compensation Plan:

- Upon reemployment, a District government-CSRS annuitant covered by the Offset Act and Pub. L. No. 110-61 **MAY PARTICIPATE** in the Deferred Compensation Plan under § 457 (b) of the Internal Revenue Code.

IV. Annual Leave Accrual:*

- For the first three (3) years after reemployment, a District government-CSRS reemployed annuitant covered by the Offset Act and Pub. L. No. 110-61 (employee) shall accrue four (4) hours of annual leave for each full biweekly pay period;
- After three (3) years of continuous service (but less than fifteen (15) years), the employee shall accrue six (6) hours of annual leave for each full biweekly pay period; and
- After fifteen (15) years of continuous service, the employee shall accrue eight (8) hours of annual leave for each biweekly pay period.

[*This annual leave accrual policy shall also apply to FEDERAL GOVERNMENT-CSRS retirees (annuitants) first employed with the District government after February 26, 2008.¹]

V. Sick Leave:

- Because any unused sick leave was credited as service when the person first retired, it cannot be added again when the person is reemployed. This means that none of the person's sick leave balance at the time of retirement will be credited to his or her sick leave account upon reemployment. That is, regardless of the date of retirement, the person will start with a zero (0) sick leave balance upon reemployment.

VI. Social Security and Medicare Deductions:

- Social Security and Medicare deductions WILL BE withheld on the salary of District government-CSRS retirees (annuitants) covered by the Offset Act and Pub. L. No. 110-61 who is reemployed with the District government.

6. Employment Status Determinations Relating to District Government CSRS-Retirees Currently Serving under Intermittent or When-Actually-Employed (WAE) Appointments

Before the enactment of the Offset Act and Pub. L. No. 110-161 eliminating the annuity offset, it had been the practice of the District government to reemploy District government-CSRS retirees (annuitants) to serve under temporary WAE appointments, with no salary offset. However, because of the elimination of the annuity offset, an annuitant serving

¹ February 26, 2008 is the date of DPM Instruction No. 26A-7 (this is the DPM issuance that communicated the annuity offset elimination provisions).

under a temporary *WAE appointment* does not necessarily have to continue serving under that type of appointment; and neither must a District government-CSRS annuitant being considered for employment must be hired into a temporary *WAE appointment* for the sole purpose of avoiding the annuity offset. Thus, agencies may consider whether to make changes to the employment status of agency District government-CSRS annuitants occupying temporary *WAE appointments* (i.e., the agency may make a determination to end the temporary *WAE appointment* and offer the employee a non-temporary full-time appointment).

7. Discontinued Service Retirees

- a. The provisions of the Offset Act and Pub. L. No. 110-161 do not apply to a person who retires under the **DISCONTINUED SERVICE RETIREMENT* provisions of the CSRS and who is subsequently reemployed into: (1) a permanent appointment; or (2) an appointment that gives CSRS retirement coverage.

**[Discontinued Service Retirement is a CSRS retirement based on an involuntary separation such as a reduction-in-force (RIF).]*

- b. In the case of a person who retires under the *discontinued service retirement* provisions of the CSRS, reemployment with the District government into a permanent position or into an appointment that gives CSRS retirement coverage will cause the person's CSRS annuity to STOP.

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Attachments:

- *Quick Reference Chart – District Government-CSRS Retirees (Annuitants) Reemployed with the District Government*
- *Q & A – Impact of the Elimination of the Annuity Offset and Reemployment of District Government-Civil Service Retirement System (CSRS) Retirees (Annuitants)*

***DISTRICT GOVERNMENT–CSRS RETIREES (ANNUITANTS) REEMPLOYED WITH THE DISTRICT GOVERNMENT AFTER DECEMBER 7, 2004 (EXCEPT FOR REEMPLOYED “CSRS-DISCONTINUED SERVICE RETIREES”)**

<p>1. Annuity Offset</p>	<p>No longer applicable for District government-CSRS retirees (regular, early retirement) reemployed with the District government after December 7, 2004. The annuity offset will continue if the individual was reemployed with the District government before December 7, 2004.</p> <p>[See D.C. Official Code § 1-611.03 (b); and section 807 of the Consolidated Appropriations Act of 2008, approved December 26, 2007 (Pub. L. No. 110-161)]</p>
<p>2. Eligibility to Participate in the District of Columbia Retirement Benefits Program (401(a) Plan)</p>	<p><u>Ineligible</u>. By law, eligibility to participate is limited to individuals “<i>first employed</i>” with the District government after September 30, 1987.</p> <p>[See D.C. Official Code § 1-626.03]</p>
<p>3. Eligibility to Participate in the Employee Deferred Compensation Plan (§ 457 of the Internal Revenue Code)</p>	<p><u>Eligible</u> to participate upon reemployment.</p>
<p>4. Eligibility to Participate in the District Health/Life Insurance Benefits Programs</p>	<p><u>Ineligible</u>. By law, eligibility to participate is limited to individuals “<i>first employed</i>” with the District government after September 30, 1987. However, District government CSRS retirees reemployed after December 7, 2004 are eligible to participate in the District government’s <u>dental and vision plan</u> available to all District government employees. [See D.C. Official Code §§ 1-621.02 and 1-622.03]</p>
<p>5. Annual Leave Accrual</p>	<ul style="list-style-type: none"> • Upon reemployment and for the first 3 years of continuous service after reemployment: <u>4 hours</u> of annual leave for each full pay period • Three (3) years of continuous service after reemployment but less than 15: <u>6 hours</u> of annual leave for each full pay period • Fifteen (15) or more years of continuous service after reemployment: <u>8 hours</u> of annual leave for each full pay period <p>Upon reemployment, will accrue <u>4 hours</u> of sick leave for each full pay period.</p>
<p>6. Sick Leave Accrual</p>	<p>Upon reemployment, will accrue <u>4 hours</u> of sick leave for each full pay period.</p>
<p>7. Social Security/Medicare Withholdings</p>	<p>Upon reemployment, Social Security and Medicare deductions will be withheld on the salary.</p>
<p>8. Hiring Authority</p>	<p>Determined by the type of service for the position.</p>

*For detailed information, please refer to E-DPM Instruction No. 26A-10, dated April 14, 2011 (accessible at www.dchr.gov under the District Personnel Manual link) (Rev. 4/11)

GOVERNMENT OF THE DISTRICT OF COLUMBIA
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Elimination of the Annuity Offset and Reemployment of District Government-Civil Service Retirement System (CSRS) Retirees (Annuitants)

Q1. What is an annuity offset?

A1. An annuity offset is a salary reduction in the amount of the annuity (pension) of an individual reemployed after retiring under the CSRS. In other words, the individual's salary is reduced by the amount of the CSRS annuity (pension). For example:

Jane Doe's Annual Salary upon Reemployment: \$60,000
Amount of Jane Doe's CSRS Annuity (Pension): \$30,000
Amount of Jane Doe's Annuity Offset: \$30,000

Q2. What was the purpose of the "District Government Reemployed Annuitant Offset Elimination Amendment Act of 2004" (D.C. Law 15-207) and of section 807 of the "Consolidated Appropriations Act of 2008" (Pub. L. No. 110-161)?

A2. The purpose of D.C. Law 15-207, effective **December 7, 2004**, was to eliminate the annuity offset applicable to District government-CSRS annuitants/retirees reemployed with the District government **after December 7, 2004**.

However, because D.C. Law 15-207 did not amend the CSRS annuity offset provisions in Chapter 83 of Title 5 of the United States Code (U.S.C.), which apply to the District government, its provisions were not sufficient to "remove" District government-CSRS reemployed annuitants from the annuity offset requirement in 5 U.S.C. § 8334 (a). Upon the approval of Pub. L. No. 110-161 on December 26, 2007, the elimination of the annuity offset under D.C. Law 15-207 took full effect.

Q3. I retired from the District government under the CSRS on May 15, 2002. I competed and have been selected for a Management Supervisory Service position, and my entrance-on-duty-date is April 25, 2011. Will I be considered a reemployed annuitant?

A3. No, you will not be considered a reemployed annuitant, and your salary upon reemployment will not be subject to the annuity offset.

The reason you will not be considered a reemployed annuitant is that the annuity offset no longer applies to a person who retired from the District government under the CSRS and who has been or will be reemployed by the District government after December 7, 2004, as provided in the Offset Act and Pub. L. No. 110-161.

Q4. I began working in the District government on January 15, 1970, and retired from the District government under the CSRS on December 31, 2000. I competed and have been selected for a Career Service position, and my entrance-on-duty-date is April 25, 2011. Will I be eligible to participate in the District of Columbia Retirement Benefits Program (*401 (a) Plan*) upon reemployment? Will I be eligible for District health/life insurance benefits? Will I be required to serve a probationary period? Will I accrue 8 hours of annual leave per pay period?

A4. No, you will not be eligible to participate in the *401 (a) Plan* upon reemployment, because D.C. Official Code § 1-626.03 (2006 Repl.) limits eligibility for the *401 (a) Plan* to employees "*first employed*" [*with the District government*] after September 30, 1987. You were first employed by the District government in a position subject to CSRS coverage on January 15, 1970 and you are considered to have been "*first employed*" [*by the District government*] prior to October 1, 1987.

No, you will not be eligible for District health/life insurance benefits, because D.C. Official Code §§ 1-621.02 and 1-622.03 (2006 Repl.) limit eligibility for District health/life insurance benefits to *all employees of the District government* "*first employed*" after September 30, 1987.

Yes, you will be required to serve a probationary period upon reemployment.

No, for the first 3 years of reemployment you will accrue 4 hours of annual leave per full biweekly pay period.

Q5. I retired from the District government under the CSRS on January 3, 2003, and was reemployed [non-competitively] under an *Intermittent* or *When-Actually-Employed (WAE)* appointment, on September 30, 2004. My salary is not being offset and, because I am serving under a temporary appointment, I am not eligible for health/life insurance benefits.

Now that the annuity offset has been eliminated, must I continue serving under the *WAE* appointment? What are my options?

A5. Determinations concerning changes in the employment status of District government-CSRS reemployed annuitants currently serving under *WAE appointments* will be made by the employing agency.

Q6. I retired from the District government under the CSRS on January 3, 2003, and was reemployed as an annuitant under a Career Service appointment effective January 3, 2005. My salary is currently being offset. Now that the annuity offset has been eliminated, shouldn't I receive my full salary?

A6. Yes. Because Pub. L. No. 110-161 provides that the annuity offset elimination provision of D.C. Law 15-207 applies with respect to any CSRS retiree reemployed with the District government after December 7, 2004, and you were reemployed with the District government after that date, you may now receive your full salary without offset, unless you had planned to work for at least 5 years (full-time) in order to have your entire CSRS annuity recomputed.

Q7. I retired from the District government under the CSRS on March 1, 1997, and was reemployed as an annuitant under a Career Service appointment effective September 1, 2002. My salary is currently being offset. Now that the annuity offset has been eliminated, shouldn't I receive my full salary?

A7. No. Because Pub. L. No. 110-161 provides that the annuity offset elimination provision of D.C. Law 15-207 applies with respect to any CSRS retiree reemployed with the District government after December 7, 2004, and because you were reemployed with the District government before that date, your salary is still subject to the offset. However, if you were reemployed with the District government at a later time [after a break in service] your salary would not be subject to the offset.

Q8. I retired from the District government under the CSRS on August 1, 2001. I competed and have been selected for a Career Service position, and my entrance-on-duty-date is April 25, 2011.

I have been informed that I will accrue 4 hours of annual leave per biweekly pay period upon reemployment. However, my neighbor, a federal government-CSRS retiree employed by the District government on February 1, 2004, currently accrues 8 hours of annual leave per biweekly pay period. How do you explain the discrepancy?

A8. The annuity offset applicable to federal government-CSRS retirees (annuitants) employed with the District government was eliminated in the early 1990s. Thus, a federal government-CSRS retiree "*first employed*" with the District government after September 30, 1987 receives his or her full CSRS annuity (pension), the full-salary of his

or her position with the District government, and is eligible to participate in the *401 (a) Plan* and receive District health/life insurance benefits. Additionally, it had been the practice of the District government to allow this group of employees to accrue 8 hours of annual leave per biweekly pay period upon employment with the District government.

However, a policy determination was made to discontinue the practice of placing CSRS-retirees (District and federal) in the 8-hour annual leave accrual category upon employment [*federal-CSRS retirees*] or reemployment [*District government-CSRS retirees*] with the District government. The rationale for this determination is that these retirees are already reaping the benefit for their years of District/federal service in the form of their annuity (pension), and that same "service" shall not be used to boost their leave accrual category.

Q9. I separated from the District government under discontinued service retirement on February 14, 2008 and began receiving my CSRS annuity shortly thereafter. I competed and have been selected for a full-time Management Supervisory Service position, and my entrance-on-duty-date is April 25, 2011. Will I continue to receive my CSRS annuity?

A9. No. Your CSRS-discontinued service annuity will stop as a result of your reemployment with the District government in a position that provides retirement benefits, and your status will be that of a regular employee.