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**Subchapter 45A CSRS
Part 45A1 General Information****Section 45A1.1-1 Overview**

A. Introduction

This subchapter covers deferred retirements. A deferred retirement annuity may be payable at a future date to an employee who separates from a position subject to CSRS or transfers to a position not covered by the retirement system before qualifying for an immediate annuity.

For information about immediate CSRS retirements, see the following chapters:

- Chapter 41, Voluntary Retirement Based on Age and Service;
- Chapter 43, Early Voluntary Retirement, for retirement under an OPM-approved major RIF, reorganization, or transfer of function;
- Chapter 44, Discontinued Service Retirement;
- Chapter 46, Special Retirement Provisions for Law Enforcement Officers, Firefighters, and Air Traffic Controllers.

B. Topics Covered

This subchapter covers:

- CSRS eligibility requirements for a deferred annuity;
 - The procedures the employing office must follow at time of separation for employees who are eligible for a deferred annuity;
 - The advice that the employing office should give to a separating employee about deferred retirement.
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Section 45A1.1-1 Overview (Cont.)**C. Organization of Subchapter**

The CSRS subchapter has two parts:

Part	Name of Part	Page
45A1	General Information	1
45A2	Procedures	6

NOTE: Subchapter 45B about deferred retirement under FERS begins on page 9.

D. Statement of Authority

This subchapter is based on the laws and regulations cited below.

- United States Code: 5 U.S.C. 8333 and 8338
 - Public Law 103-66, section 11002
 - Code of Federal Regulations: 5 CFR Part 831
-

Section 45A1.1-2 Eligibility Requirements**A. General**

An employee who separates from service or transfers to a position that is not covered by the retirement system is entitled to a deferred annuity commencing at age 62 if he or she:

- Is not eligible for an immediate annuity within 1 month of separation;
- Meets the minimum civilian service requirement;
- Does not take a refund of retirement deductions after separating from service (or transferring to a noncovered position); and
- Meets the "1-out-of-2" requirement.

B. Not Eligible for an Immediate Annuity

A separated employee who meets all of the requirements for an immediate annuity is not eligible for a deferred annuity.

EXAMPLE: Bob is age 60 and has 20 consecutive years of creditable service. He meets the eligibility requirements for a voluntary retirement under CSRS. Consequently, he does not have the option of separating from Federal service and electing to receive a deferred annuity. Even if Bob delays filing an application for retirement, OPM will pay the annuity retroactively to the effective date of Bob's immediate annuity upon receipt of his application.

C. Minimum Civilian Service

A former employee must have completed at least 5 years of creditable civilian service to be eligible for a deferred retirement.

Creditable civilian service for this purpose includes:

- Service for which full CSRS deductions were taken, even if CSRS deductions were refunded and not redeposited, except as provided in paragraphs D and E below;
- CSRS Interim or Offset service for which full Social Security taxes and reduced CSRS deductions were taken, even if CSRS deductions were refunded and not redeposited, except as provided in paragraphs D and E below; and
- Nondeduction service (that is, temporary or intermittent service), whether or not a deposit for such service is made.

NOTE 1: Accrued and unused sick leave to an employee's credit at date of separation is not creditable for eligibility or computation purposes in a deferred retirement.

Section 45A1.1-2 Eligibility Requirements (Cont.)**C. Minimum Civilian Service (Cont.)**

NOTE 2: See Chapter 20, Creditable Service, for a full description of creditable service.

D. All Deductions Refunded

A former employee is not eligible for a deferred annuity if he or she has received a refund of all retirement deductions.

EXAMPLE: Debbie was appointed to a career position May 1, 1967. She separated on April 30, 1972, and did not receive a refund of her retirement contributions. She returned to Federal service November 1, 1975, and separated October 31, 1985. At that time she received a refund covering both periods of service. When Debbie reaches age 62, she will not be eligible for a deferred annuity because she received a refund of all retirement contributions after separating from her last period of Federal service.

E. "One-Out-of-Two" Requirement

The former employee must have been employed under the retirement system for at least 1 year within the 2-year period immediately preceding the separation on which the deferred annuity is based.

EXAMPLE: Patricia was appointed to a career position with CSRS coverage October 1, 1960. She separated September 30, 1970. She returned to a covered position in January 1980 and separated again in June 1980. Patricia did not receive a refund of her retirement contributions after either separation.

When Patricia reaches age 62, she will be eligible for a deferred annuity based only on the period of service between October 1, 1960, and September 30, 1970. The period between January 1980 and June 1980 will not be included in the computation of the deferred annuity because Patricia did not meet the "1-out-of-2" requirement with respect to this service.

Patricia could apply for and receive a refund of the deductions for this 1980 service at any time, or leave the money in her account in case she has subsequent Federal service that meets the "1-out-of-2" requirement. (An application for a partial refund must be clearly labeled to preclude payment of the total refund and inadvertent loss of entitlement to future benefits. See Chapter 32, Refunds, section 32A1.1-10, paragraph A.) If, at the time she applies for a deferred annuity, the deductions for the 1980 service are still in her account, OPM will automatically refund them to her as part of the adjudication process. No interest is payable since she has a total of more than 5 years of civilian service.

Section 45A1.1-2 Eligibility Requirements (Cont.)

- F. Alternative Annuity Election** Public Law 103-66, the Omnibus Budget Reconciliation Act of 1993 (OBRA), approved August 10, 1993, eliminated the alternative form of annuity (AFA) for most retirees, effective October 1, 1994. An employee eligible for a deferred annuity that commences on or after October 1, 1994, may not elect the alternative form of annuity unless the employee has, at the time the deferred annuity commences, a life-threatening affliction or other critical medical condition currently listed in 5 CFR 831.2207.
-

Part 45A2 Procedures**Section 45A2.1-1 Procedures**

**A. Agency
Responsibility**

When an employee who is not entitled to an immediate annuity separates, the employing office must:

1. Close out the employee's SF 2806, Individual Retirement Record, and forward it to OPM according to instructions provided in Chapter 81, The Individual Retirement Record and Register of Separations and Transfers.
 2. Complete SF 2810, Notice of Change in Health Benefits Enrollment, and SF 2821, Agency Certification of Insurance Status, to terminate Federal health benefits enrollment and life insurance coverage.
 3. Provide the employee with the pamphlet entitled "Retirement and Insurance Information for Separating CSRS or CSRS Offset Employees Who Are Not Eligible for Immediate Annuity" (Retirement Facts 11, RI 83-13).
 4. If the employee wishes to apply for a refund of his or her retirement contributions, follow the procedures in Chapter 32, Refunds.
-

**B. Applicant
Responsibility**

The applicant must:

1. Request an Application for Deferred Retirement (SF 1496A) from OPM about 2 months before reaching age 62. The application may be obtained from OPM at the following address:

**Office of Personnel Management
Civil Service Retirement System
Retirement Operations Center
Boyers, PA 16017**

The request must include the former employee's name, date of birth, Social Security number, the agency with which he or she was last employed, and the date of separation. If the former employee used any other name, such as a maiden name, while employed with the Federal government, that name also should be included.

2. Complete the application and return it to OPM no earlier than 2 months before he or she attains age 62.
-

Section 45A2.1-2 Advice To Employee

- A. Basis of Deferred Annuity** A deferred annuity is based on the length of service and average salary in effect at the time of separation. In the years between the date of separation and age 62, the average salary is not adjusted by any intervening cost-of-living adjustments (COLA'S).
-
- B. Post-1956 Military Deposits** Employees who want to make a deposit for post-1956 military service must make the deposit before separation in order to receive credit for the military service in the computation of the deferred annuity. See Chapter 23, Service Credit Payments for Post-56 Military Service, for instructions on how to make post-1956 military deposits.
- NOTE: Military service is not used to meet the 5-year minimum civilian service requirement described in section 45A1.1-2, paragraph C.
-
- C. Commencing Date of Annuity** Deferred annuities commence on the former employee's 62nd birthday.
-
- D. Survivor Benefits** No survivor annuity is payable to a former employee's spouse, former spouse, or children if the former employee has title to a deferred annuity but dies before attaining age 62. The same is true if the former employee attains age 62, but dies before filing an application for retirement. The only benefit payable in either case would be a lump-sum payment of the former employee's retirement contributions, without interest. (Exception: if the former employee had pre-1957 service from which retirement deductions were withheld from his or her salary and not previously refunded, interest will be payable through 12-31-56.)
-
- E. Refunds** Receipt of a refund at separation voids entitlement to a deferred annuity. A former employee who takes a refund may redeposit the refund (with interest) if he or she is subsequently reemployed in the Federal service under CSRS or FERS.
- A former employee who returns to work and then separates with title to a deferred annuity may, without returning once again to Federal service, make a redeposit of a refund or refunds taken after any earlier separation. However, the redeposit must be made before OPM finishes processing the individual's claim for a deferred annuity.

Section 45A2.1-2 Advice To Employee (Cont.)

- E. Refunds (Cont.)** EXCEPTION: If the former employee received a refund covering a period of service that ended before October 1, 1990, he or she will not have to pay the redeposit to receive credit for that service. Instead, full credit for the refunded service will be allowed in computing the deferred annuity, but the annuity will be actuarially reduced.

OPM will, however, offer the individual the opportunity to pay the redeposit to avoid the actuarial reduction before completing processing of the claim for deferred annuity.

- F. Alternative Annuity** Subject to the restrictions imposed by Public Law 103-66 that are described in section 45A1.1-2, paragraph F, former employees who suffer from certain life-threatening illnesses and are entitled to a deferred annuity that commences on or after October 1, 1994, may elect the alternative annuity, including having any deposits or redeposits deemed paid. See Chapter 53, Alternative Annuity Elections, for additional information.
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Subchapter 45B FERS

Part 45B1 General Information

Section 45B1.1-1 Overview

A. Introduction

Subchapter 45B outlines the rules and policies that apply to deferred retirement under the Federal Employees Retirement System (FERS).

This subchapter explains how FERS differs from CSRS. It refers readers to the CSRS rules that apply, or gives the FERS rule if it is different.

For information about postponed immediate annuity benefits under the FERS "MRA + 10" provision, see Chapter 42, MRA + 10 Retirement.

B. Organization of Subchapter

The FERS subchapter has two parts:

Part	Name of Part	Page
45B1	General Information	9
45B2	Procedures	15

C. Statement of Authority

This subchapter is based on the laws and regulations cited below.

- United States Code: 5 U.S.C. 8410, 8413, and 8464
 - Code of Federal Regulations: 5 CFR Parts 841 and 842
-

Section 45B1.1-2 Eligibility Requirements

A. General

A former employee is eligible to receive a deferred retirement annuity if he or she:

- Is not eligible for an immediate annuity within one month of separation;
- Meets the minimum civilian service requirement;
- Does not take a refund of retirement deductions after separating from service (or transferring to a noncovered position); and
- Is age 62 with at least 5 years of creditable service or the Minimum Retirement Age (MRA) with at least 10 years creditable service.

NOTE: There is no "1-out-of-2" requirement under FERS as there is under CSRS. Thus, an employee who utilizes an opportunity to elect to transfer to FERS does not have to be under FERS for 1 year to be eligible for a deferred annuity. Likewise, an employee who is under FERS can retire at any time after being reemployed if he or she has the required age and service.

B. Minimum Civilian Service

A former employee must have at least 5 years of creditable civilian service to be eligible for a deferred retirement.

Creditable civilian service for this purpose includes:

- Service for which full FERS deductions were made and not refunded;
- Nondeduction service (that is, temporary or intermittent service) performed prior to January 1, 1989, if a deposit for such service was made before separation;

NOTE: Since service is not creditable under FERS unless it is paid for, a former employee must have 5 years of paid service **at the time of separation** to have title to a deferred annuity. A deposit payment to obtain title at the time of application is not permitted. If he or she has 5 years of paid service, then any additional unpaid service can be paid while OPM is processing the annuity application or be deemed paid under the alternative annuity provisions.

Section 45B1.1-2 Eligibility Requirements (Cont.)

B. Minimum Civilian Service (Cont.)

- Service for which full Social Security taxes and full or reduced CSRS deductions were taken, if the CSRS deductions were not refunded; and

For individuals eligible for a CSRS annuity component:

- Nondeduction service (that is, temporary or intermittent service) subject to CSRS retirement computation rules, whether or not a deposit for such service is made or is deemed made under the alternative annuity provisions;
- Service for which full CSRS deductions were taken, even if CSRS deductions were refunded and not redeposited.

NOTE: See Chapter 20 for a full description of creditable civilian service.

C. Noncreditable Civilian Service

The following types of service performed under FERS may not be used in meeting the 5-year minimum service requirement:

- Service performed under FERS for which a refund of FERS deductions was taken;
- Service subject to FERS computation rules for which a refund was made after FERS coverage began;
- Any period of nondeduction service performed before 1989 for which service credit payments were not completed before separation from service, unless the service is included in a CSRS component;
- Nondeduction service (that is, temporary or intermittent service) performed on or after January 1, 1989, unless the service is included in a CSRS component.

NOTE: Accrued and unused sick leave to the employee's credit at date of separation is not creditable for any purpose in a deferred retirement, even if the former employee is entitled to a CSRS annuity component.

Section 45B1.1-2 Eligibility Requirements (Cont.)**D. Minimum Retirement Age (MRA)**

Depending on the former employee's year of birth, the MRA ranges between ages 55 and 57. To determine the MRA, refer to the table below:

If Year of Birth Is...	The Minimum Retirement Age Is...
Before 1948	55
1948	55 and 2 months
1949	55 and 4 months
1950	55 and 6 months
1951	55 and 8 months
1952	55 and 10 months
1953-1964	56
1965	56 and 2 months
1966	56 and 4 months
1967	56 and 6 months
1968	56 and 8 months
1969	56 and 10 months
1970 & After	57

E. Age and Service Requirement

Like former CSRS employees, former employees covered by FERS are eligible for a deferred annuity at age 62 if they have at least 5 years of creditable civilian service.

In addition, former FERS employees are eligible for a deferred annuity as early as their MRA if they have 10 or more years of creditable service, including 5 years of civilian service.

Section 45B1.1-3 Reduction for Retirement Before Age 62

A. General Rule

A deferred annuity is reduced by five-twelfths of 1 percent for each full month by which the commencing date of annuity precedes the 62nd birthday of the employee. The reduction is 5 percent for each full year the employee is under age 62.

EXAMPLE: Ed is a FERS employee who separates from service in the year 2000. At time of separation, Ed is age 37 and has 15 years of creditable service. His high-3 average salary at separation is \$35,000. He may first apply for a deferred annuity at age 56, his MRA.

The unreduced annual annuity is \$5,250 [$\$35,000$ (high-3) x 15 percent (1 percent for each year of FERS service)]. Ed will not be 62 for 6 years, so the reduction is \$1,575 (6 years x 5 percent = 30 percent). The annuity payable to Ed at age 56 is \$5,250 minus \$1,575, or \$3,675.

NOTE: The former employee may postpone the commencing date of the annuity to avoid or decrease the reduction (see paragraph B below).

B. Exceptions

The annuity is not reduced if the employee:

- Completed at least 30 years of service. (The unreduced annuity can begin as early as the first of the month following the employee's attainment of the MRA); or
- Completed at least 20 years of service and postponed the annuity commencing date until age 60; or
- Completed at least 10 years of service and postponed the annuity commencing date until age 62.

EXAMPLE: Judith is a FERS employee who separates from service in the year 2000. At time of separation, Judith is age 41 and has 20 years of creditable service. Her high-3 average salary at separation is \$35,000. If she postpones the commencing date of her deferred annuity until she reaches age 60, the annuity will not be reduced for age.

The unreduced annual annuity payable at age 60 is \$7,000 [$\$35,000$ (high x 3) x 20 percent (that is, 1 percent for each year of FERS service)].

Section 45B1.1-3 Reduction for Retirement Before Age 62 (Cont.)

- C. Transferee with a CSRS Annuity Component** In the case of a transferee who separates with a CSRS annuity component and who meets the eligibility requirement for a reduced deferred annuity, the reduction for each year the individual is under age 62 is applied to both the CSRS and FERS annuity components.

EXAMPLE: Mary transferred to FERS July 5, 1987. At time of transfer, she had 10 years of CSRS service. Mary worked 10 more years under FERS and separated from service July 4, 1997, at age 50. At time of separation, her high-3 average salary was \$50,000. She may receive a reduced deferred annuity at age 55, or an unreduced annuity at age 60.

The unreduced annual annuity is \$8,125 [$\$50,000$ (high-3) \times 16.25 percent (CSRS factor for 10 years of service)] PLUS \$5,000 [$\$50,000$ (high-3) \times 10 percent (FERS factor for 10 years of service)] for a total of \$13,125. Mary will not be 62 for 7 years, so the reduction is \$4,593.75 (7 years \times 5 percent = 35 percent). The annuity payable to Mary at age 55 is \$13,125 minus \$4,593.75 or \$8,531.25.

NOTE: The CSRS component will receive CSRS COLA's; the FERS component will receive FERS COLA's beginning at age 62. (For additional information, see Chapter 2, Cost-of-Living Adjustments.)

- D. Special Groups** Law enforcement officers, firefighters, air traffic controllers, and Members of Congress who separate from service subject to FERS for reasons other than misconduct with 20 years of service as a law enforcement officer, firefighter, air traffic controller, or Member may receive a deferred annuity at the MRA with no reduction for age. See Chapter 46, Special Retirement Provisions for Law Enforcement Officers, Firefighters, and Air Traffic Controllers, for further details.
-

Part 45B2 Procedures

Section 45B2.1-1 Procedures

**A. Agency
Responsibility**

The employing office must follow the procedures outlined in section 45A2.1-1, paragraph A, for closing out the employee's record, with the following exceptions:

1. The Individual Retirement Record is SF 3100 or 3100A instead of SF 2806.

NOTE: An SF 2806 is also required if the employee transferred to FERS and is eligible for a CSRS annuity component.

2. The pamphlet for employees is titled "Retirement and Insurance Information for Separating FERS Employees Who Are Not Eligible for an Immediate Annuity" (FERS Facts, RI 90-11).
-

**B. Applicant
Responsibility**

1. The applicant must file RI Form 92-19, Application for Deferred or Postponed Retirement, with OPM about 2 months before age 62 or the date the former employee wants the annuity to begin, if earlier. The application may be obtained by writing to the following address:

Office of Personnel Management
Federal Employees Retirement System
Retirement Operations Center
Post Office Box 200
Boyers, PA 16020

2. When a former employee with 10 or more years of service applies for a deferred annuity, he or she designates a commencing date of annuity. The designated commencing date may be:

- The first day of the month after the former employee attains the MRA; or
- A date (must be first day of a month) within 90 days after the application is filed; but
- Not later than the second day before the employee's 62nd birthday.

An election of a commencing date becomes irrevocable on the day OPM authorizes the first regular annuity payment.

Section 45B2.1-2 Advice to Employee

- A. Applicable CSRS Provision** The following portions of CSRS section 45A2.1-2 apply under FERS:
- Paragraph A--Basis of Deferred Annuity
 - Paragraph B--Post-1956 Military Deposits
 - ~~Paragraph E--Alternative Annuity~~
-
- B. Commencing Date of Annuity**
1. If the former employee has at least 5 years of civilian service, but less than 10 years of total creditable service, the deferred annuity commences on the first day of the month after the individual attains age 62.
 2. If the former employee has at least 10 years of service, the deferred annuity can commence on:
 - The first day of the month after attainment of MRA; or
 - A later date designated by the former employee, but not later than the second day before his or her 62nd birthday. (See section 45B2.1-1, paragraph B.)
-
- C. Survivor Benefits**
1. If a former employee who had less than 10 years of creditable service dies before becoming an annuitant (that is, before he or she has reached age 62 and applied for a deferred annuity), any contributions remaining in the retirement fund are paid in a lump sum (with interest) in the order of precedence. No survivor annuity is payable. Chapter 75, Lump Sum Benefits, contains further information on this subject.
 2. If a former employee dies before applying for a deferred annuity and had:
 - At least 10 years of creditable service including 5 years of creditable civilian service, and
 - A surviving spouse who was married to the employee at the time of the former employee's separation from Federal service, or an eligible former spouse,

the surviving spouse or former spouse is entitled to an annuity under the provisions described in Chapter 72, Spouse Benefits - Death of a Former Employee.
 3. No survivor annuity is payable to the children of a former employee who dies before becoming an annuitant.

Section 45B2.1-2 Advice to Employee (Cont.)

D. Refunds

Former employees who take a refund of their retirement contributions are not eligible for a deferred annuity unless they return to Federal service and work under appointments with FERS coverage for at least 5 years. **The refunded service is not creditable for any purpose under FERS.** See Chapter 32 for more detailed information about refunds.

Transferees with a CSRS annuity component who separate from Federal service may take a refund of the CSRS contributions, leaving their FERS contributions in the retirement fund. Such former employees retain title to a FERS deferred annuity and may redeposit the CSRS contributions without returning to Federal service. The redeposit may be made at any time before OPM completes processing of the individual's application for deferred annuity. It cannot, however, be **deemed** paid if the individual elects the Alternative Form of Annuity (AFA); a refund of CSRS contributions paid after an employee transfers to FERS can be redeposited only by actual payment to OPM of the amount due (see Chapter 53).

REMINDER: CSRS Offset service is treated under FERS rules when employees transfer to FERS. A refund for Offset service paid after the employee transfers cannot be redeposited. See Chapter 20 for further information.

E. Retiree Annuity Supplement

Former employees who receive a deferred annuity are not eligible for the retiree annuity supplement. (See Chapter 51, Retiree Annuity Supplement.)

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Subchapter 45C Job Aids and Forms**Section 45C1.1-1 Information Aids**

This section contains the following information aids that can be reproduced locally:

- Retirement and Insurance Information for Separating CSRS or CSRS Offset Employees Who Are Not Eligible for an Immediate Annuity
 - Retirement and Insurance Information for Separating FERS Employees Who Are Not Eligible for an Immediate Annuity
-

RETIREMENT AND INSURANCE INFORMATION FOR SEPARATING CSRS OR CSRS OFFSET EMPLOYEES WHO ARE NOT ELIGIBLE FOR AN IMMEDIATE ANNUITY

This pamphlet contains information about retirement and insurance for separating employees who are under the Civil Service Retirement System (CSRS) or the CSRS-Offset provisions, and who are **not** eligible for an immediate annuity. If you meet one of the following age and service combinations, you are eligible for an annuity now, and your employing agency should help you apply for it.

Eligibility Requirements for Immediate Retirement

Type of Retirement	Minimum Age	Minimum Service	Special Requirements
Optional	62	5	None
	60	20	None
	55	30	None
	50	20	You must retire under special provisions for air traffic controllers or law enforcement and firefighter personnel. Air traffic controllers can also retire at any age with 25 years of service.
	Any Age 50	25 20	Your agency must be undergoing a major reorganization, reduction-in-force, or transfer of function as determined by the Office of Personnel Management.
Discontinued Service	Any Age 50	25 20	Your separation must be involuntary and not for misconduct or delinquency.

I. HEALTH BENEFITS**A. 31-Day Extension of Coverage and Temporary Extension of Coverage**

1. Enrollment in the Federal Employees Health Benefits (FEHB) program terminates at the end of the pay period in which you separate. You then have a 31-day free extension of coverage.
2. Effective January 1, 1990, employees who separate from service may continue FEHB coverage for a period of 18 months from the date of separation. Employees who take advantage of this option must pay both the employee and the employer share of the health benefits premium plus an administrative charge of 2 percent of the premium.
3. You cannot reinstate your FEHB coverage if you receive a deferred annuity in the future.

B. Conversion Privilege

1. If you do not want to continue your health benefits coverage under the temporary extension provision described in paragraph A, you may convert to an individual (nongroup) contract with your carrier. If you continue your coverage under the temporary continuation provision, you will have another opportunity to convert to an individual contract at the end of the 18-month period.
2. If you convert, you must pay the entire cost of coverage and benefits may be less than previous coverage. However, the carrier must provide coverage regardless of any health problems you or your family members may have.

C. Form You Should Receive: SF-2810--Notice of Change in Health Benefits Enrollment

Upon separation, your employing office must complete SF 2810 terminating your enrollment and send you a copy. The SF 2810 explains about the 31-day extension of coverage and how to convert to a nongroup contract. Your employing office must also send you information about your eligibility for the temporary continuation of coverage described above (paragraph A), if you separated on or after January 1, 1990.

II. LIFE INSURANCE**A. Conversion Privilege**

Life insurance under the Federal Employees Group Life Insurance (FEGLI) program terminates at the end of the pay period in which you separate. You then have a 31-day free extension of coverage during which you may convert to an individual policy.

You cannot reinstate your FEGLI coverage if you receive a deferred annuity in the future.

B. Forms You Should Receive:

SF 2821--Agency Certification of Insurance Status

SF 2819--Notice of Conversion Privilege

Upon separation, your employing office must complete SF 2821 terminating your coverage and send you a copy. It must also give you SF 2819 that provides information on your right to convert to an individual (nongroup) life insurance policy.

III. RETIREMENT**A. Option: Refund**

1. You may apply for a refund of your retirement contributions if you have been separated from Federal service for at least 31 days. The refund will not include any interest unless you have less than 5 years of service or some of your service was performed before 1957.

Form to use: OPM Form 1425 (SF 2802)--Application for Refund of Retirement Deductions.

2. If you take a refund of your retirement contributions at separation, you may redeposit the refund (with interest) only if you return to Federal service under CSRS or FERS.
3. Before you can receive a refund, you must notify your spouse and, in some cases, any former spouse that you have filed the application. If you are eligible for an immediate optional/voluntary retirement benefit, you cannot receive a refund. Also, you cannot receive a refund if the refund would end the court-ordered right of any spouse or former spouse to future benefits based on your service. For more detailed information about refunds, see OPM Form 1425 or Retirement Facts 9, "Refunds under the Civil Service Retirement System."

B. Option: Deferred Annuity

1. If you have at least 5 years of creditable civilian service, did not receive a refund of all retirement contributions, and are not eligible for an immediate optional/voluntary retirement benefit, you will be eligible for a deferred annuity at age 62.
2. You should file OPM Form 1496A, Application for Deferred Retirement, with OPM no sooner than 2 months before attaining age 62. The deferred annuity commences on your 62nd birthday.
3. The deferred annuity is based on the length of service and high-3 average salary in effect at date of separation.
4. If you want to make a deposit for post-1956 military service, you must make the deposit before separation in order to receive credit for the military service in the computation of your deferred annuity.
5. If you are entitled to a deferred annuity, you may be eligible to elect the alternative annuity, that is, an actuarially reduced monthly benefit, plus a lump-sum payment equal to all your contributions to the retirement fund. (You must obtain your spouse's consent before you make this election.)

NOTE: If you have a former spouse with court-awarded entitlement to a survivor annuity or a portion of your annuity, you may **not** elect the alternative annuity.

NOTE: Subject to the restrictions imposed by Public Law 103-66, you may elect the alternative annuity only if you suffer from one of certain life-threatening illnesses and are entitled to a deferred annuity that commences on or after October 1, 1994.

6. No survivor annuity is payable to your spouse, former spouse, or children if you die before you reach age 62. The same is true if you become age 62, but die before filing an application for retirement. The only benefit payable in either case would be a lump-sum payment of your retirement contributions, without interest.

RETIREMENT AND INSURANCE INFORMATION FOR SEPARATING FERS EMPLOYEES WHO ARE NOT ELIGIBLE FOR AN IMMEDIATE ANNUITY

This pamphlet contains information about retirement and insurance for separating employees who are under the Federal Employees Retirement System (FERS), and who are **not** eligible for an immediate annuity. If you meet one of the following age and service combinations, you are eligible for an annuity now, and your employing agency should help you apply for it.

Eligibility Requirements for Immediate Retirement

Type of Retirement	Minimum Age	Minimum Service	Special Requirements
Optional	62	5	None
	60	20	None
	MRA *	30	None
	MRA *	10	None
	50	20	You must retire under special provisions for air traffic controllers or law enforcement and firefighter personnel.
	Any Age	25	
	Any Age 50	25 20	Your agency must be undergoing a major reorganization, reduction-in-force, or transfer of function as determined by the Office of Personnel Management.
Discontinued Service	Any Age	25	Your separation must be involuntary and not for misconduct or delinquency.
	50	20	

*MRA = Minimum Retirement Age. Depending on your year of birth, the MRA ranges between ages 55 and 57. To determine your MRA, refer to the table below:

If Year of Birth Is...	The Minimum Retirement Age is...
Before 1948	55
1948	55 and 2 months
1949	55 and 4 months
1950	55 and 6 months
1951	55 and 8 months
1952	55 and 10 months
1953-1964	56
1965	56 and 2 months
1966	56 and 4 months
1967	56 and 6 months
1968	56 and 8 months
1969	56 and 10 months
1970 & After	57

Please note that if you are now at the Minimum Retirement Age or older, and have at least 10 years of service, but have chosen to postpone applying for your annuity, the information in this pamphlet does not apply to you. Ask your agency for the appropriate information.

I. HEALTH BENEFITS

A. 31-Day Extension of Coverage and Temporary Extension of Coverage

1. Enrollment in the Federal Employees Health Benefits (FEHB) program terminates at the end of the pay period in which you separate. You then have a 31-day free extension of coverage.
2. Effective January 1, 1990, employees who separate from service may continue FEHB coverage for a period of 18 months from the date of separation. Employees who take advantage of this option must pay both the benefits premium plus an administrative charge of 2 percent of the premium.
3. You cannot reinstate your FEHB coverage if you receive a deferred annuity in the future.

B. Conversion Privilege

1. If you do not want to continue your health benefits coverage under the temporary extension provision described in paragraph A, you may convert to an individual (nongroup) contract with your carrier. If you continue your coverage under the temporary continuation provision, you will have another opportunity to convert to an individual contract at the end of the 18-month period.
2. If you convert, you must pay the entire cost of coverage and benefits may be less than previous coverage. However, the carrier must provide coverage regardless of any health problems you or your family members may have.

C. Form You Should Receive: SF 2810--Notice of Change in Health Benefits Enrollment

Upon separation, your employing office must complete SF 2810 terminating your enrollment and send you a copy. The SF 2810 explains about the 31-day extension of coverage and how to convert to a nongroup contract. Your employing office must also send you information about your eligibility for the temporary continuation of coverage described above (paragraph A), if you separated on or after January 1, 1990.

II. LIFE INSURANCE

A. Conversion Privilege

Life insurance under the Federal Employees Group Life Insurance (FEGLI) program terminates at the end of the pay period in which you separate. You then have a 31-day free extension of coverage during which you may convert to an individual policy. You cannot reinstate your FEGLI coverage if you receive a deferred annuity in the future.

B. Forms You Should Receive:

SF 2821--Agency Certification of Insurance Status
SF 2819--Notice of Conversion Privilege

Upon separation, your employing office must complete SF 2821 terminating your coverage and send you a copy. It must also give you SF 2819 that provides information on your right to convert to an individual (nongroup) life insurance policy.

III. RETIREMENT

A. Option: Refund

1. You may apply for a refund of your retirement contributions if you have been separated from Federal service for at least 31 days. If you have more than 1 year of service, interest on the contributions will be part of the refund. If you are eligible for an immediate optional/voluntary retirement benefit, you are not eligible to receive a refund.

Form to Use: SF 3106--Application for Refund of Retirement Deductions

2. Before you can receive a refund, you must notify your spouse and, in some cases, any former spouse that you have filed the application. If you are eligible for an immediate optional/voluntary retirement benefit, you cannot receive a refund. Also, you cannot receive a refund if the refund would end the court-ordered right of any spouse or former spouse to future benefits based on your service.
3. Refunded FERS contributions can never be redeposited and the service covered by the refund is not creditable for any purpose.

4. If you are a transferee with a CSRS annuity component and you separate from Federal service, you may apply for a refund of your CSRS contributions only. (You may redeposit the CSRS contributions according to CSRS deposit rules.) By leaving your FERS contributions in the retirement fund, you will retain title to a FERS deferred annuity.

NOTE: If you were covered by CSRS Offset provisions (both CSRS and Social Security) when you transferred to FERS, your Offset service is now treated as FERS service. You cannot redeposit a refund of Offset service deductions that you receive after transferring to FERS. The service covered by that refund is not creditable for any purpose.

B. Option: Deferred Annuity

1. If you have at least 5 years of paid creditable civilian service for which withholdings or deposits remain in the Fund and you are not eligible for optional/voluntary retirement benefits, you will be eligible for a deferred annuity. You may receive a deferred annuity beginning on the first day of the month after you attain age 62. In addition, if you have at least 10 years of creditable service, you may elect to receive a deferred annuity as early as the first day of the month after you attain your Minimum Retirement Age (MRA).
2. If you are eligible for a deferred annuity beginning after you attain your MRA (see paragraph B1 above), your deferred annuity will be reduced by 5 percent for each year by which the commencing date of annuity precedes your 62nd birthday, unless you have at least 30 years of service; have 20 years of service, and postpone the commencing date until you are age 60; or have at least 20 years of service as an air traffic controller, firefighter, law enforcement officer, or Member of Congress.
3. You must file form RI 92-19, Application for Deferred or Postponed Retirement, with OPM no sooner than 2 months before age 62 or the date you want the annuity to begin. If you separate with 10 or more years of service, you must designate a commencing date of annuity on or before age 62.
4. If you receive a deferred annuity, you are not eligible for the retiree annuity supplement.
5. The deferred annuity is based on the length of service and high-3 average salary in effect at date of separation.
6. If you want to make a deposit for post-1956 military service, you must make the deposit before separation in order to receive credit for the military service in the computation of your deferred annuity.

7. If you are entitled to a deferred annuity, you may be eligible to elect the alternative annuity, that is, an actuarially reduced monthly benefit, plus a lump-sum payment equal to all your contributions to the retirement fund. (You must obtain your spouse's consent before you make this election.)

NOTE: If you have a former spouse with court-awarded entitlement to a survivor annuity or a portion of your annuity, you may **not** elect the alternative annuity.

NOTE: Subject to the restrictions imposed by Public Law 103-66, you may elect the alternative annuity only if you suffer from one of certain life-threatening illnesses and are entitled to a deferred annuity that commences on or after October 1, 1994.

8. If you die before applying for a deferred annuity and you have less than 10 years of creditable service **or** no eligible survivor, any contributions remaining in the retirement fund are paid in a lump sum (with interest) to your designated beneficiary or person in order of precedence as set by law.
9. If you die before applying for a deferred annuity, your surviving spouse is entitled to a survivor annuity if:
 - a. You have at least 10 years of creditable service for which withholdings or deposits remain in the Fund (5 years of which is creditable civilian service); and
 - b. Your spouse was married to you at the time of your separation from Federal service.

The surviving spouse may elect to receive a lump-sum payment of your retirement contributions in lieu of the survivor annuity.