

**CSRS**

**Civil Service  
Retirement  
System**

# Retirement Facts 6



## Early Retirement Under the Civil Service Retirement System



**United States  
Office of  
Personnel  
Management**

**Retirement and  
Insurance  
Service**

Previous editions are not usable

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Additional retirement information and all publications of the U.S. Office of Personnel Management listed in this pamphlet are available on the Internet.

OPM Website — <http://www.opm.gov/asd>

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***Introduction***

This pamphlet is for employees who are covered by the Civil Service Retirement System (CSRS) who want information about early retirement.

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***Early Optional Retirement***

If your agency undergoes a major reorganization, reduction in force, or transfer of function, and a significant percentage of the employees will be separated, or will be reduced in pay, the head of your agency can ask the U.S. Office of Personnel Management (OPM) to permit early optional retirement for eligible employees. By permitting early optional retirement, OPM can lessen the impact of involuntary separations and demotions.

If the head of your agency gets approval to permit early optional retirements, eligible employees will be notified of the opportunity to retire voluntarily. If you have at least 25 years of service, or you are at least age 50 and have as much as 20 years of service, you may retire voluntarily on an immediate annuity. (The annuity is reduced by 2 percent for each year you are under age 55.) At least 5 years of your service must be civilian service, and you must have been employed under the Civil Service Retirement System for at least 1 year out of the last 2 years preceding retirement.

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***Discontinued Service Retirement  
Because of an Involuntary Separation***

The term “involuntary separation” means any separation against the will and without the consent of the employee, other than “for cause” for misconduct or delinquency. The most common cause of an involuntary separation is a reduction

in force. Employees who decline reasonable offers of other positions are not eligible for discontinued service annuities.

A “reasonable offer” is defined as a written offer of another position in your agency and commuting area for which you are qualified and which is no more than two grades or pay levels below your current grade or pay level.

“Commuting area” means the geographic area that usually constitutes one area for employment purposes. It includes any population center (or two or more neighboring ones) and the surrounding localities in which people live and reasonably can be expected to travel back and forth daily in their usual employment.

If your agency makes you a reasonable offer and you choose to decline the offer and resign, you will not qualify for discontinued service retirement. In addition, if your agency separates you by adverse action procedures for not complying with a directed reassignment to a position that is a “reasonable offer”, your separation would not be qualifying for discontinued service.

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## ***Relocation***

Another frequent cause for an involuntary separation is when the location of an office or unit is moved to an area outside the commuting area of the old worksite. As a general rule, if the new work site is in a different commuting area, and if you would have to change your place of residence in order to work at the new job site, then your separation for failure to relocate to the new work location would be a qualifying separation for retirement purposes.

An exception occurs if, when you accepted your current position, you were placed under a general mobility agreement whereby you would be subject to geographic reassignment. In that case, you

would have to accompany your office's or unit's move, resign, or be separated without discontinued service annuity rights.

If you are involuntarily separated, other than for misconduct or delinquency, and you have at least 25 years of service or are at least age 50 with as much as 20 years of service, you will be entitled to an immediate annuity. (Your annuity will be reduced by 2 percent for each year you are under age 55.) At least 5 years of your service must be civilian service, and you must have been employed under the Civil Service Retirement System for at least 1 year out of the last 2 years preceding retirement.

Employees separated from Federal employment by reduction-in-force (RIF) may be very close to retirement eligibility on the effective date of the RIF. Normally employees are entitled to a lump sum payment for their annual leave balance upon separation. However, instead of taking a lump sum payment, you may remain on your agency rolls past the effective date of your RIF, if you will become eligible for an immediate annuity (or to carry health benefits coverage into retirement) during the period represented by the amount of your accrued annual leave. This right also extends to a separation because you do not transfer with your function to another location.

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### ***Effect of Reemployment on Retirement Benefits***

If you are reemployed after receiving an annuity based on a discontinued service retirement, and your reemployment is in a position that normally would be subject to retirement deductions, your annuity will be terminated. Your future annuity benefits would then be computed based on your separation from the reemployment service.

If you are (1) reemployed in a position that is excluded from retirement coverage after retiring based on a discontinued service retirement, or (2) reemployed after retiring voluntarily under an early optional retirement authority, your annuity will continue, but the amount of annuity applicable to the period of your reemployment will be offset from your salary. In either case, you may qualify for a supplemental annuity if you are reemployed for at least 1 year. A reemployed annuitant who completes at least 5 years of service may elect to have his or her annuity redetermined under the law in effect at the time of separation from reemployment.

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### ***Displaced Employee Program***

If your discontinued service retirement is based on a reduction-in-force, you may qualify for placement assistance under the career transition assistance program. See your personnel office for a copy of “The Employee’s Guide to Career Transition”.

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### ***Additional Information***

You may obtain copies of the pamphlets listed below from your personnel office, from OPM's Website (<http://www.opm.gov/asd>), or from OPM ONLINE (OPM's electronic bulletin board) at (202) 606-4800. To access OPM ONLINE, your communications software should be set to the following:

Baud: Up to 28,800  
Parity: None  
Data bits: 8  
Stop bit: 1

The pamphlets in the Retirement Facts Series, which provide more detailed information about the Civil Service Retirement System (CSRS), are:

- ***Retirement Facts #1*** - The Civil Service Retirement System (RI 83-1)
- ***Retirement Facts #2*** - Military Service Credit Under the Civil Service Retirement System (RI 83-2)
- ***Retirement Facts #3*** - Deposits and Redeposits Under the Civil Service Retirement System (RI 83-3)
- ***Retirement Facts #4*** - Disability Retirement Under the Civil Service Retirement System (RI 83-4)
- ***Retirement Facts #5*** - Survivor Benefits Under the Civil Service Retirement System (RI 83-5)
- ***Retirement Facts #6*** - Early Retirement Under the Civil Service Retirement System (RI 83-6)
- ***Retirement Facts #7*** - Computing Retirement Benefits Under the Civil Service Retirement System (RI 83-7)
- ***Retirement Facts #8*** - Credit for Unused Sick Leave Under the Civil Service Retirement System (RI 83-8)
- ***Retirement Facts #9*** - Refunds Under the Civil Service Retirement System (RI 83-9)

- **Retirement Facts #10** - Voluntary Contributions Under the Civil Service Retirement System (RI 83-10)
- **Retirement Facts #11** - Information for Separating Civil Service Retirement System Employees Who Are Not Eligible for an Immediate Annuity (RI 83-11)
- **Retirement Facts #12** - Information About Reemployment for Civil Service Retirement System Annuitants (RI 83-18)
- **Retirement Facts #13** - Civil Service Retirement System Offset Retirement (RI 83-19)
- **Retirement Facts #14** - Law Enforcement and Firefighter Civil Service Retirement System Retirement (RI 83-20)

Pamphlets applicable to employees in both the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) are:

- Court-Ordered Benefits for Former Spouses (RI 84-1)
- Work-Related Injuries and Fatalities — What You and Your Family Need to Know About Your Benefits (RI 84-2)
- Life Events and Your Retirement and Insurance Benefits (*For Employees*) (RI 84-3)
- Thinking About Retirement? (RI 83-11)

Publications for employees who are under the Federal Employees Retirement System (FERS) are:

- FERS Brochure (*An Overview of Your Benefits*) (RI 90-1)
- **FERS Facts #1** - Information for Separating FERS Employees Who Are Not Eligible for an Immediate Annuity (RI 90-11)
- **FERS Facts #2** - Information About Reemployment for FERS Annuitants (RI 90-18)

For employees who are eligible to transfer to FERS:

- FERS Transfer Handbook (*A Guide to Making Your Decision*) (RI 90-3)

Pamphlets on the Federal Employees Health and Life Insurance Programs are:

- Federal Employees Health Benefits Guide (RI 70-1)
- Temporary Continuation of Coverage (TCC) under the Federal Employees Health Benefits Program (RI 79-27)
- Federal Employees Group Life Insurance Booklet (RI 76-21)

Retirement & Insurance Service



Serving over 10 million customers, Federal employees,  
annuitants, and their families