



The Director

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

March 20, 2007

The Honorable Richard B. Cheney  
President of the Senate  
United States Senate  
Washington, DC 20510

Dear Mr. President:

The Office of Personnel Management is submitting the enclosed legislative proposal "To facilitate the part-time reemployment of annuitants, and for other purposes." We request that it be referred to the appropriate committee for prompt and favorable consideration.

The draft bill would amend sections 8344 and 8468 of title 5, United States Code, to authorize Federal agencies to reemploy retired Federal employees on a limited basis without offset of annuity from salary. This reemployment would be limited to a maximum of 520 hours in the first 6 months following retirement, 1,040 hours in any 12-month period, and a total for any individual of 6,240 hours. While individuals reemployed under this authority would receive both salary and annuity payments, they would not be considered employees for the purposes of retirement, would earn no additional retirement benefits based on the service, and would have all insurance premiums paid from their annuity payments.

The proposal is carefully drafted to make such reemployment both attractive to annuitants and easy for agencies to use, and to avoid possibilities for significant abuses. This will encourage individuals who would otherwise leave Government to continue their service on a part-time, limited duration.

The Office of Management and Budget advises that this proposal is in accord with the program of the President.

A similar letter is being sent to the Speaker of the House of Representatives.

Sincerely,

A handwritten signature in blue ink, appearing to read "L. Springer".

Linda M. Springer  
Director

Enclosures



The Director

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

March 30, 2007

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Madame Speaker:

The Office of Personnel Management is submitting the enclosed legislative proposal "To facilitate the part-time reemployment of annuitants, and for other purposes." We request that it be referred to the appropriate committee for prompt and favorable consideration.

The draft bill would amend sections 8344 and 8468 of title 5, United States Code, to authorize Federal agencies to reemploy retired Federal employees on a limited basis without offset of annuity from salary. This reemployment would be limited to a maximum of 520 hours in the first 6 months following retirement, 1,040 hours in any 12-month period, and a total for any individual of 6,240 hours. While individuals reemployed under this authority would receive both salary and annuity payments, they would not be considered employees for the purposes of retirement, would earn no additional retirement benefits based on the service, and would have all insurance premiums paid from their annuity payments.

The proposal is carefully drafted to make such reemployment both attractive to annuitants and easy for agencies to use, and to avoid possibilities for significant abuses. This will encourage individuals who would otherwise leave Government to continue their service on a part-time, limited duration.

The Office of Management and Budget advises that this proposal is in accord with the program of the President.

A similar letter is being sent to the President of the Senate.

Sincerely,

A handwritten signature in blue ink, appearing to read "L. Springer".

Linda M. Springer  
Director

Enclosures

## A BILL

To facilitate the part-time reemployment of annuitants, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Code is amended—*

(1) in title 5—

(A) in section 8344—

(i) by redesignating subsection (l) as subsection (m);

(ii) by inserting after subsection (k) the following:

“(l)(1) For purposes of this subsection—

“(A) the term ‘agency’ means—

“(i) an Executive agency;

“(ii) the United States Postal Service;

“(iii) the judicial branch; and

“(iv) any employing entity covered by subsection (k);

“(B) the agency head shall, in the case of an agency under clause (iii) or (iv) of subparagraph (A), be determined in the same manner as provided for under subsection (j) or (k), respectively; and

“(C) the term ‘limited time appointee’ means an annuitant appointed under a temporary appointment limited to one year or less.

“(2) The head of any agency may waive the application of subsection (a) or (b) with respect to any annuitant who is employed in such agency as a limited time appointee.

“(3) Waiver authority under this subsection shall not, in the case of any annuitant, be effective—

“(A) with respect to more than 520 hours of service performed by such annuitant during the period ending six months following the individual’s annuity commencing date;

“(B) with respect to more than 1040 hours of service performed by such annuitant during any 12-month period; and

“(C) with respect to more than 6240 hours of service performed by such annuitant during the individual’s lifetime.

“(4) The Director of the Office of Personnel Management may promulgate regulations providing for the administration of this subsection. Such regulations may—

“(A) provide standards for the maintenance and form of necessary records of employment under this subsection;

“(B) to the extent not otherwise expressly prohibited by law, require employing organizations to provide records of such employment to the Office or other employing organizations as necessary to ensure compliance with paragraph (3);

“(C) permit other administratively convenient periods substantially equivalent to 12 months, such as 26 pay periods, to be used in determining compliance with paragraph (3)(B); and

“(D) include such other administrative requirements as the Director of the Office of Personnel Management may find appropriate to provide for the effective operation of, or to ensure compliance with, this subsection.”; and

(iii) in subsection (m) (as so redesignated by paragraph (1)(A))—

(I) in paragraph (1), by striking “(k)” and inserting “(l)”;

and

(II) in paragraph (2), by striking “or (k)” and inserting “(k),  
or (l)”; and

(B) in section 8468—

(i) by redesignating subsection (i) as subsection (j);

(ii) by inserting after subsection (h) the following:

“(i)(1) For purposes of this subsection—

“(A) the term ‘agency’ means—

“(i) an Executive agency;

“(ii) the United States Postal Service;

“(iii) the judicial branch; and

“(iv) any employing authority covered by subsection (h);

“(B) the head of an agency shall, in the case of an agency under clause (iii) or (iv)  
of subparagraph (A), be determined in the same manner as provided for under subsection  
(g) or (h), respectively; and

“(C) the term ‘limited time appointee’ means an annuitant appointed under a  
temporary appointment limited to one year or less.

“(2) The head of any agency may waive the application of subsection (a) with respect to  
any annuitant who is employed in such agency as a limited time appointee.

“(3) Waiver authority under this subsection shall not, in the case of any annuitant, be  
effective—

“(A) with respect to more than 520 hours of service performed by such annuitant during the period ending six months following the individual’s annuity commencing date;

“(B) with respect to more than 1040 hours of service performed by such annuitant during any 12-month period; and

“(C) with respect to more than 6240 hours of service performed by such annuitant during the individual’s lifetime.

“(4) The Director of the Office of Personnel Management may promulgate regulations providing for the administration of this subsection. Such regulations may—

“(A) provide standards for the maintenance and form of necessary records of employment under this subsection;

“(B) to the extent not otherwise expressly prohibited by law, require employing organizations to provide records of such employment to the Office or other employing organizations as necessary to ensure compliance with paragraph (3);

“(C) permit other administratively convenient periods substantially equivalent to 12 months, such as 26 pay periods, to be used in determining compliance with paragraph (3)(B); and

“(D) include such other administrative requirements as the Director of the Office of Personnel Management may find appropriate to provide for effective operation of, or to ensure compliance with, this subsection.”; and

(iii) in subsection (j) (as so redesignated by paragraph (1)(A) of this subsection)—

(I) in paragraph (1), by striking “(h)” and inserting “(i)”;

and

(II) in paragraph (2), by striking “or (h)” and inserting “(h),

or (i)”;

(2) in section 1005(d)(2) of title 39—

(A) by striking “(l)(2)” and inserting “(m)(2)”;

(B) by striking “(i)(2)” and inserting “(j)(2)”.

## SECTION-BY-SECTION ANALYSIS

To accompany a draft bill

“To facilitate the part-time reemployment of annuitants, and for other purposes.”

Paragraph (1) of the bill would provide for the amendments to title 5, United States Code, that are needed to facilitate the reemployment of annuitants.

Subparagraph (A) of paragraph (1) of the bill would make provisions for the Civil Service Retirement System by adding a new subsection to 5 U.S.C. §8344 to permit concurrent receipt of annuity and salary for certain annuitants reemployed on a less than full-time basis.

Clause (i) of subparagraph (A) of paragraph (1) of the bill would redesignate the existing subsection (l) of section 8344 as subsection (m).

Clause (ii) of subparagraph (A) of paragraph (1) of the bill would provide for the insertion of a new subsection (l) in section 8344.

The new §8344(l)(1)(A) and (B) would provide that the subsection will apply to all three branches of Government. The U.S. Postal Service is separately listed because it is not an Executive agency under 5 U.S.C. 104 and 105, and legislation was needed to allow waivers under the prior authority (*see*, 39 U.S.C. §1005(d)(2)).

The new §8344(l)(1)(C) would provide that the term “limited time appointee” means an annuitant appointed under a temporary appointment limited to one year or less.

The new §8344(l)(2) would provide that the head of an agency may waive the application of the provisions requiring offset or termination of annuity with respect to any annuitant who is employed in such agency as a limited time appointee.

The new §8344(l)(3) would limit the time a waiver can be in effect to 520 hours in the first 6 months of retirement, 1040 hours in any 12-month period, and an aggregate of 6240 hours for any one annuitant.

The new §8344(l)(4) would authorize the Director of the Office of Personnel Management (OPM) to issue regulations providing for the administration of the new subsection.

Clause (iii) of subparagraph (A) of paragraph (1) of the bill would make technical changes in the redesignated 5 U.S.C. §8344(m).

Subparagraph (B) of paragraph (1) of the bill would make provisions for the Federal Employees’ Retirement System by adding a new subsection to 5 U.S.C. §8468 to permit concurrent receipt of annuity and salary for certain annuitants reemployed on a less than full-time basis.



Clause (i) of subparagraph (B) of paragraph (1) of the bill would redesignate the existing subsection (i) of section 8468 as subsection (j).

Clause (ii) of subparagraph (B) of paragraph (1) of the bill would provide for the insertion of a new subsection (i) in section 8468.

The new §8468(i)(1)(A) and (B) would provide that the subsection will apply to all three branches of Government. The U.S. Postal Service is separately listed because it is not an Executive agency, as defined by 5 U.S.C. 104 and 105, and legislation was needed to allow waivers under the prior authority (*see*, 39 U.S.C. §1005(d)(2)).

The new §8468(i)(1)(C) would provide that the term “limited time appointee” means an annuitant appointed under a temporary appointment limited to one year or less.

The new §8468(i)(2) would provide that the head of an agency may waive the application of the provisions requiring offset or termination of annuity with respect to any annuitant who is employed in such agency as a limited time appointee.

The new §8468(i)(3) would limit the time a waiver can be in effect to 520 hours in the first 6 months of retirement, 1040 hours in any 12-month period, and an aggregate of 6240 hours for any one annuitant.

The new §8468(i)(4) would authorize the Director of OPM to issue regulations providing for the administration of the new subsection.

Clause (iii) of subparagraph (C) of paragraph (1) of the bill would make technical changes in the redesignated 5 U.S.C. §8468(j).

Paragraph (2) of the bill would make needed conforming changes to title 39, United States Code, in section 1005(d)(2).