



*E-BOOK GUIDELINE FOR OPM MEDICAL DISABILITY
FOR FEDERAL EMPLOYEES*

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Medical Disability Retirement Guide for Federal Employees

E-Book

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When to Consider Applying for Disability Retirement

Consider applying for disability retirement only after you have provided your employing agency with complete documentation of your medical condition and your agency has exhausted all reasonable attempts to retain you in a productive capacity through accommodation, reassignment, etc. ("Accommodation" means an adjustment made to a job and/or work environment that enables a qualified handicapped person to perform the duties of that position.)

Applying for Disability Retirement

To apply for disability retirement, you must complete SF 3107, Application for Immediate Retirement, and SF 3112, Documentation in Support of Disability Retirement. Your employment agency will assist you in completing these forms and will forward the completed forms to the Office of Personnel Management (OPM). However, it is your responsibility to obtain all the necessary information for OPM to make a decision on your claim, including providing all required forms and documentation.

If you are under age 62, federal retirement law requires your disability benefits under FERS to be reduced by 100 percent of your social security benefit for any month in which you are entitled to social security disability benefits during the first 12 months of eligibility. After the first year, your disability annuity is equal to 40

percent of your high-3 average salary minus 60 percent of your social security benefit for any month in which you are entitled to social security disability benefits. Therefore, it is also your responsibility to document that you have applied for social security disability benefits after you separate from your agency. Your application cannot be completely processed without this information. If you are awarded social security disability benefits at any time after you have applied for or begin receiving disability benefits, you must still notify OPM of the effective date and the amount of the social security benefits.

Important: 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.

If You Have Been Separated from Federal Service for More Than 31 Days

Your application for disability retirement must be received by OPM within one year after the date of your separation. If you have been separated from federal service for more than 31 days, your former employing agency may no longer have your personnel records and may not be able to recover them in time to process your disability retirement application and submit it to OPM within the one-year time limit. Therefore, you should submit your application directly to OPM rather than to your agency. **The address is:**

Office of Personnel Management
Federal Employees Retirement System
Retirement Operations Center
Boyers, PA 16017-0001.

Ask your former supervisor and employing agency to complete SF 3112B, SF 3112D, and SF 3112E and give them to you so that you can send them directly to OPM. If you think you will not have the completed package in time to meet the one-year deadline, send OPM the completed SF 3107 and SF 3112A, along with the name, address, and telephone number of the person(s) you have asked to complete the remaining forms. Do not delay submitting your application.

The one-year time limit for applying for disability retirement is established by law. Waiver of that time limit is permitted only if you were mentally incompetent to file within the established time frame. Failure to follow instructions or unfamiliarity with applicable law and regulation is not a basis for waiving the time limit.

Eligibility Requirements for Disability Retirement

To be eligible for disability retirement, you must meet all the following conditions:

You must have completed at least 18 months of federal civilian service which is creditable under FERS.

While employed in a position subject to the retirement system, you must have become disabled due to disease or injury for useful and

efficient service in your current position. (Useful and efficient service means fully successful performance of the critical or essential elements of the position—or the ability to perform at that level—and satisfactory conduct and attendance.)

The disability must be expected to last at least one year.

Your agency must certify that it is unable to accommodate your disabling medical condition in your present position and that it has considered you for any vacant position in the same agency at the same grade or pay level, within the same commuting area, for which you are qualified for reassignment. (An employee of the Postal Service is considered not qualified for reassignment if the reassignment is to a position in a different craft or is inconsistent with the terms of a collective bargaining agreement covering the employee.)

You, or your guardian or other interested person, must apply before your separation from service or within one year thereafter. The application must be received by OPM within one year of the date of your separation. This time limit can be waived only if you were mentally incompetent on the date of separation or within one year of this date.

You must apply for social security disability benefits. Application for disability retirement under FERS requires an application for social security disability benefits. If the application for social security disability benefits is withdrawn for any reason, OPM will dismiss the FERS disability retirement application upon notification by the Social Security Administration.

If you are a Military Reserve Technician being separated from your position because of a disability that disqualifies you from

membership in the Military Reserve or from holding the military grade required for your employment, special provisions may apply to you. Contact your employing agency for the necessary information.

Required Documentation

To decide if your disability claim is allowable, OPM considers the documentary evidence you, your agency, and your physician provide. Your claim can be allowed only if the evidence establishes that you meet all the following criteria:

A deficiency in service with respect to performance, conduct, or attendance, or, in the absence of any actual service deficiency, a showing that your medical condition is incompatible with other useful service or retention in the position.

A medical condition, defined as a health impairment resulting from a disease or injury, including a psychiatric disease.

A relationship between the service deficiency and the medical condition such that the medical condition has caused the service deficiency.

The disability must be expected to last at least one year.

You became disabled while serving under the Federal Employees Retirement System.

The inability of your employing agency to make reasonable accommodation to your medical condition.

The absence of another available position, within the employing agency and commuting area, at the same grade or pay level and tenure, for which you are qualified for reassignment.

OPM will not pay for any medical examination or procedure needed to provide the necessary documentation.

How Disability Retirement Applications Are Processed

If you are still employed, your employing agency will assemble the form Documentation in Support of Disability Retirement (SF 3112), including Schedules A, B, C, D, and E, together with your Application for Immediate Retirement (SF 3107) and associated forms, your preliminary Individual Retirement Record (SF 3100), and all available disability documentation and send them to OPM. The disability documentation will include that which you obtain for the purpose of applying for disability retirement and all documentation on file with your agency concerning your medical condition and its relationship to service deficiencies, attempts or requests to reassign or accommodate because of your medical condition, etc. The time required for assembly and submission of the application and documentation varies from agency to agency. If you are separated from the federal service, you (or your guardian or other interested party) are responsible for seeing that your application is filed within the time limit.

Shortly after receiving your application, OPM will send you an acknowledgment letter with information and a claim number (beginning with the letters "CSA"). Receipt of an acknowledgment and a CSA claim number means that your application has been received and will be reviewed to determine your eligibility for disability retirement. Any inquiries before you receive this acknowledgment and claim number should be addressed to your

employing agency. Any inquiries to OPM should include your claim number.

OPM will examine your application and supporting documentation to determine whether a finding of disability is warranted. You or your employing agency may be contacted if additional information is needed. Both you and your agency will be notified of the allowance or disallowance of your application. If your claim is disallowed, we will provide information about your right to request further consideration of your claim.

You or your agency should notify OPM of any change in your status, such as a change in your current job or assignment. If, while OPM is processing your claim, you decide to withdraw your application, you must notify us in writing of the withdrawal request. Such a request can be accepted if it is received by OPM before your application is approved or before you have been separated from your agency, whichever is later. Also, if you file a non-disability retirement application with OPM at any time before separation from your agency, OPM will consider this action to be a withdrawal of the disability application.

If your application is approved, your employing agency will be requested to separate you from its rolls and send OPM your final retirement records. The actual date of separation is determined by your agency.

Interim payments can be authorized only after the disability application has been allowed and your agency has notified OPM of the date your pay stopped and OPM has a copy of your receipt for application for social security disability benefits or social security's decision letter. Interim payments are intended to help you financially until OPM can compute the actual amount of your

annuity. OPM can complete processing of your case only after your final retirement records and all other supporting documentation have been received from your agency.

Disability Annuity Computation

Disability benefits under FERS are computed differently depending on the retiree's age and amount of service at retirement.

Additionally, FERS disability retirement benefits are recomputed after the first twelve months and again at age 62 if the annuitant is under age 62 at the time of disability retirement.

If at disability retirement you are already 62 years old, or you meet the age and service requirements for immediate voluntary retirement, you will receive your "earned" annuity based on the general FERS annuity computation:

1% of your "high-3" average salary multiplied by your years and months of service

If you are at least 62 years old at retirement and have completed at least 20 years of service, your annuity will be computed as follows:

1.1% of your "high-3" average salary multiplied by your years and months of service

If at disability retirement you are under age 62 and not eligible for voluntary retirement, you will receive the following benefit:

For the first 12 months:

60% of your "high-3" average salary minus 100% of your social security benefit for any month in which you are entitled to social security disability benefits.

After the first 12 months:

40% of your "high-3" average salary minus 60% of your social security benefit for any month in which you are entitled to social security disability benefits.

However, you are entitled to your earned annuity (1% of your "high-3" average salary multiplied by your years and months of service) if it is larger than your disability annuity computed under the steps above.

When you reach age 62:

Your annuity will be recomputed using an amount that essentially represents the annuity you would have received if you had continued working until the day before your sixty-second birthday and then retired under FERS non-disability provisions. The total service used in the computation will be increased by the amount of time you have received a disability annuity. The average salary will be increased by all FERS cost-of-living increases which occurred during the time you received a disability annuity (even if the adjustment did not affect your annuity).

The FERS basic annuity formula (1% of your "high-3" average salary multiplied by your total years and months of service) is then applied, using the adjusted time base and average salary. If your actual service plus the credit for time as a disability retiree equals 20 or more years, the formula would be 1.1% of your "high-3" average salary multiplied by the total of your years and months of service, using the adjusted time base and average salary.

Your "high-3" average salary is figured by averaging your highest basic pay over any three years of consecutive service. These three years are usually your final three years of service but can be an earlier period. Your basic pay is the basic salary you earn for your

position. It includes increases to your salary for which retirement deductions are withheld, such as for shift rates, night shift differential, etc. It does not include payments for overtime, bonuses, etc. (If your total service was less than three years, your average salary is figured by averaging your basic pay during all of your periods of creditable federal service.)

Your basic annual annuity will be reduced to provide survivor annuity benefits if you are married (unless you and your spouse jointly waive the survivor benefit) or if you are required by a qualifying court order to provide benefits for a former spouse.

Duration of Disability Annuity Benefits

Disability annuity benefits begin accruing on the first day after your pay as an employee stops and disability and service requirements have been met. The first payment is received the first business day of the month after benefits begin accruing. Annuity is not payable for any period of time for which compensation (other than a scheduled award) is paid by the Office of Workers' Compensation Programs (OWCP), U.S. Department of Labor. Applicants found eligible for continuing benefits from OWCP and a disability retirement annuity from OPM must elect payments from one or the other. The law prohibits simultaneous receipt of continuing OWCP payments and a disability retirement annuity from OPM.

Under current law and regulations, a disability annuity continues until you are found recovered, restored to earning capacity, reemployed in the federal service, or die. Each of these situations is explained below.

Medical Recovery

If you are a disability retiree under age 60, OPM may require periodic reevaluations of your medical condition to determine if you have recovered from your disability. (Any disability retiree under age 60 may have his or her eligibility for continued annuity payments reviewed at any time it is considered necessary by OPM.) You pay the cost of providing any medical information OPM needs to review your medical condition. If OPM finds you recovered, your disability annuity payments will stop one year from the date of the medical examination showing your recovery or on the date you are reemployed in the federal service, whichever occurs first. After you turn age 60, OPM will review your medical condition only at your request.

Restoration of Earning Capacity

If you are a disability retiree under age 60, there is a limit on the amount you can earn from wages and self-employment and still be entitled to your annuity. Each year, OPM will send you a questionnaire to determine your earnings for the previous calendar year. If your earnings in any calendar year equal or exceed 80 percent of the current salary rate of the position from which you retired, your earning capacity will be considered restored. Even if there is no change in your medical condition, your disability annuity payments will stop six months from the end of the calendar year in which your earning capacity is restored or on the date you are reemployed in the federal service, whichever occurs first. After you turn age 60, there is no restriction on the amount of wages or earnings from self-employment you may receive.

If you have been found restored to earning capacity, and your earnings for any calendar year fall below 80 percent of the current salary rate of the position from which you retired, and you are under age 62, you may request OPM to reinstate your disability retirement annuity. If you request reinstatement of your annuity, you must provide documentation showing that your income is below the 80 percent level and that the disease or condition on which your disability retirement was approved still exists. If OPM reinstates your annuity, it will begin as of January 1 of the year following the year your earnings were less than 80 percent of the current salary rate of the position from which you retired.

Reemployment in the Federal Service After You Retire

If you retire on disability, you may be reemployed in any position for which you are qualified. OPM does not need to make a recovery determination before your reemployment.

The law does not require that your former employing agency or any other federal agency automatically offer you a position if OPM finds that you are medically recovered or restored to earning capacity. However, if either of these occurs, you may be eligible for selection priority for jobs in other agencies under OPM's Interagency Career Transition Assistance Plan (ICTAP).

Through the ICTAP, you may receive selection priority in any executive branch agency. Agencies will post their vacancies in OPM's Federal Job Opportunity Board. If you see a position in which you are interested, you would:

Tailor your application material to meet the specific requirements of the vacancy announcement;

Apply directly to the agency by the closing date of the announcement; and

Attach your proof of eligibility (the OPM letter informing you that your disability annuity has been terminated because you have been found medically recovered or restored to earning capacity).

If the agency determines that you are well-qualified for the position, you must be selected over any other candidate from outside that agency.

You are eligible for this special selection priority for one year after the date of the OPM letter informing you that you have been found medically qualified or restored to earning capacity. For more information regarding the Interagency Career Transition Assistance Plan or OPM's Federal Job Opportunity Board, please contact your former agency, if it still exists, or the nearest OPM Service Center listed under "U.S. Government" in your telephone book.

Receipt of Benefits from OWCP, U.S. Department of Labor

The approval of a claim for benefits by the Office of Workers' Compensation Programs (OWCP), U.S. Department of Labor, for a work-related injury or illness does not automatically entitle an employee to FERS disability retirement. A claim for FERS disability retirement must also be filed with the Office of Personnel Management. If you are approved for disability retirement and elect to provide survivor benefit protection, you will protect the rights of your eligible survivors to receive annuity benefits after your death. Additionally, this will protect your own annuity rights in the event you lose entitlement to benefits from OWCP. Your application for disability retirement must be received by OPM within one year from the date of your separation by your agency.

In general, you may not receive annuity payments from OPM and OWCP payments for the same period of time. (See information below on when you may receive both payments.) This is because the law prohibits the dual compensation that would exist if you receive both a FERS annuity and OWCP payments for total or partial disability under the Federal Employees' Compensation Act. However, if you are eligible for a FERS annuity and OWCP payments for total or partial disability, you may elect which of the two benefits you want to receive.

Any overpayment of OWCP benefits or annuity you receive is subject to collection by the Office of Personnel Management or the Office of Workers' Compensation Programs.

If you do not apply for retirement or your annuity payments are suspended while you are in receipt of OWCP payments, you may be eligible to receive a refund of your retirement contributions if any remain to make claim to.

For more information on OPM Eligibility Requirements for OPM & FERS medical disability requirements you can find more information on the OPM support page at the following link:

<https://www.opm.gov/support/retirement/faq/disability-benefits/>

For a complimentary review of your application and/or a FERS OPM Medical Disability Evaluation email Dr. Taylor at fedcompconsultants@protonmail.com