




a New Day for Federal Service

Phased Retirement An Employee Perspective

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.


What is Phased Retirement?

Phased retirement allows eligible employees to elect to transition into retirement by continuing to work on a part-time basis and receiving a portion of their annuity for the time they are not working.

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

How Does Phased Retirement Work?

- Phased Retirement is an agreement between employee and agency
- When phased retirement is elected, the employee:
 - Is partially retired and receives about half of their annuity
 - Is employed and works 50% part-time and receives half of their pay
 - 20% of their work time must be spent in mentoring activities

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

Who is Eligible to Participate in Phased Retirement?

- Must have been full-time employee for at least 3 years prior to entry in Phased Retirement
- Must be eligible for immediate retirement under specific provisions:
 - CSRS: Age 55 with 30 years of service, or age 60 with 20 years
 - FERS: MRA with 30 years of service, or age 60 with 20 years of service

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

What Employees Are Excluded From Phased Retirement?

- Law Enforcement Officers, Fire Fighters, Air Traffic Controllers, Nuclear Materials Couriers, Capitol Police and Supreme Court Police and some Customs and Border Protection (CBP) Officers subject to mandatory retirement provisions
 - CBP Officers employed before 7/6/08 and who are exempt from mandatory separation provisions are **not** excluded

A vertical strip of an American flag is visible on the left side of the slide, showing the stars and stripes.

What Employees Are Excluded From Phased Retirement?

- Special work schedules that do not allow a recurring part-time schedule:
 - Fire Fighters covered by 5 USC 5545b
 - Nurses under 38 USC 7456 or 7456A


A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

Deposits and Redeposits

Employees who wish to participate in phased retirement must pay all:

- Civilian Deposits
- Military Deposits
- Redeposits

Before they begin phased retirement



Example of the income of a CSRS Phased Retiree

CSRS Employee

- Length of service: 35 years 9 months

Current salary:


$\$68,275 \times 50\%$

$\$34,137$ annually $\$2,844.75$ monthly

Current Annuity:

$\$45,296.30 \times 50\%$

$\$22,648$ annually $\$1,887.00$ monthly

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

Example of the income of a CSRS Phased Retiree


Total Employee Income in Phased Retirement:

- **Annual**

$$\$34,137 + \$22,648 = \$56,785$$

- **Monthly**

$$\$2,844.75 + \$1,887 = \$4,731.75$$



Example of the Income of a FERS Phased Retiree

FERS Employee

- Length of service: 35 years 9 months

Current salary:


$\$68,275 \times 50\%$

$\$34,137$ annually $\$2,844.75$ monthly

Current Annuity:

$\$23,868 \times 50\%$

$\$11,934$ annually $\$994.50$ monthly



Example of the Income of a FERS Phased Retiree


Total Employee Income in Phased Retirement:

- **Annual**

$$\$34,137 + \$11,934 = \$46,071$$

- **Monthly**

$$\$2,844.75 + \$994.50 = \$3,839.25$$

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

Phased vs. Regular Retirement Final Annuity


CSRS

For an employee who worked 2 years under phased retirement:

- Full Retirement (Composite) Gross Monthly Annuity Payable = \$3,811

For an employee who worked full time for 2 additional years, (not participating in phased retirement)

- Monthly annuity Payable = \$4,040

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.


Phased vs. Regular Retirement Final Annuity FERS

For an employee who worked 2 years, 3 months, under phased retirement:

- Full Retirement (Composite) Gross Monthly Annuity Payable = \$2,003

For an employee who worked full time for an addition 2 years, 3 months, (not participating in phased retirement)

- Monthly annuity Payable = \$2,116

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

How are Federal Employees Health Benefits (FEHB) and Federal Employees Group Life Insurance (FEGLI) affected?

- For FEHB and FEGLI purposes the employee is considered to still be working full time.

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

What is Mentoring?

- A process that focuses on providing guidance, direction, and career advice. Mentoring is an opportunity for collaboration, goal achievement, and problem solving.
- Mentoring is an essential element of phased retirement
- 20% of time each pay period must be spent in mentoring activities

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

What Type of Activities Meet the Mentoring Requirement

- Knowledge Transfer
- Knowledge Management
- Succession Planning
- Career Development

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

Is There A Limit To How Long I Can Be In Phased Retirement?

- An agency is not required to place a limit on how long an employee may participate in phased retirement.
- An agency and the employee may agree to a time limit using a written time limit agreement.

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

What Is A Time Limit Agreement?

- Establishes a time period for phased retirement.
- Both the agency and the employee must agree to use the time limit agreement.

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.


Can I File an Appeal or Grievance?

- Denial of application for phased retirement
- Disapproval of request to return to regular employment
 - Not appealable adverse actions under 5 U.S.C. chapter 75
 - May be grievable

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

Do I Have the Same Procedural Rights as Before Entering Phased Retirement?

- For a non-bargaining unit employee, procedural rights remain the same as before entering phased retirement
- For a bargaining unit employee, procedural rights could change if bargaining unit status changes

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

What is a Phased Retiree's Work Schedule?

- Must have a working percentage equal to 50 percent of full-time (i.e., 40 hours per biweekly pay period)
- May be assigned hours of work in excess of established schedule only in rare and exceptional circumstances
- May be permitted to participate in an alternative work schedule program

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.


How Does Phased Retirement Impact Pay?

- Pay rate determined under the rules of the pay system covering the employee
- If a phased retiree performs overtime work under exceptional circumstances, he or she is entitled to overtime pay under the normally applicable rules
- Days of part-time service are creditable towards within-grade increase waiting periods

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

How Does Phased Retirement Impact Leave?

- No lump-sum payment for annual leave upon transition to phased retirement
- Annual and sick leave balances are maintained
- Leave accrual is prorated
 - 4 hours of annual leave per pay period
 - 2 hours of sick leave per pay period
- Annual leave ceiling remains the same

A vertical strip of the American flag is visible on the left side of the slide, showing the blue field with white stars and the red and white stripes.

How Does Phased Retirement End?

- Regular retirement
- Return to regular employment with the agency's approval

A vertical strip of the American flag is visible on the left side of the slide, showing the stars and stripes.

What If You Want To Participate?

1. Talk to your manager
2. Get an annuity estimate
3. Complete the phased retirement election form for approval by your agency