



Information for NASA Employees to Apply for Disability Retirement Federal Employees Retirement System (FERS) May 16, 2016

Retirement of any type is a major life decision. If you are considering applying for disability retirement, please read this document in its entirety. These step-by-step instructions will guide you through the disability retirement process.

We recommend following the steps in the order listed in this document. However, since this process may take you a bit of time, you may click any of the following links to access the desired step:

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Step 1 – Determine If You are Eligible

If you are considering applying for a disability retirement, the first step you should take is to determine if you are eligible to apply. To be eligible for disability retirement, you must meet all the following requirements:

1. You must be in a position covered by the Federal Employees Retirement System (FERS) at the time you became disabled, and have completed at least 18 months of creditable civilian service. If you have been separated from Federal employment, and meet these conditions, the Office of Personnel Management (OPM) must receive your completed disability retirement application no later than 1 year after your separation.
2. You must [apply for disability benefits](#) through the Social Security Administration (SSA), and provide proof of your application. (You may do so at the Social Security Apply Online for Disability Benefits Web page at: <https://secure.ssa.gov/iClaim/dib>.)
3. You must be diagnosed with a medical condition that is expected to last at least 1 year from the date your disability retirement application is filed.
Medical Condition: A disease or injury that makes you unable to render useful and efficient service.
4. Your medical condition must meet either of the following criteria:
 - a. Cause a service deficiency.
Service Deficiency: Your performance, attendance, or conduct is less than fully successful, and, if uncorrected, warrants action to deny a pay increase, reduce your grade, or remove you from your position.
 - b. Incompatible with either useful and efficient service or retention in your position.
Incompatible with Useful and Efficient Service: Your performance of the critical or essential elements of your position is unacceptable or you are unable to perform at that level, warranting a removal from your position.
Incompatible with Retention in Your Position: Your conduct and/or attendance is unsatisfactory, warranting removal from your position.
5. NASA must have exercised all options for a reasonable accommodation, and you cannot have declined an offer of reassignment to a vacant position at the same grade or pay level and tenure that is located within the local commuting area.
Reasonable Accommodation: May include, but not limited to modifying your worksite; adjusting your work schedule; restructuring your job; acquiring or modifying equipment or devices; providing interpreters, readers, or personal assistants; reassigning or retraining you; etc.

Note: You should only apply for a disability retirement once NASA has exhausted all efforts of reasonable accommodation.

Step 2 – Consider Other Retirement Options

Some employees are under the impression that it is generally more favorable to retire under disability provisions than to retire under optional provisions. However, there are additional issues important to disability annuitants both before and after retirement, such as:

- An applicant for disability retirement must prove eligibility through medical and other evidence. There is no automatic approval like there is with an optional retirement.
- A disability annuitant under the age of 60 must provide annual earnings reports to the Office of Personnel Management (OPM). The annuity is subject to termination if the annuitant is found restored to earning capacity (refer to Step 9 for more information).
- A disability annuitant under age 60 must provide medical evidence at their own expense. The disability annuity is subject to termination if the individual is found to be recovered from the disability.
- Unless you are permanently and totally disabled, Federal income tax provisions no longer offer preferential treatment for disability annuitants.
- Disability annuitants are not eligible to elect the alternative form of annuity.
- Disability annuitants are not eligible for a Voluntary Separation Incentive Payment (VSIP).
- An Optional Retirement is not reduced by a social security disability benefit.

To be eligible for Optional Retirement you must meet one of the following criteria:

- Age 62 with at least 5 years of creditable Federal service.
- Age 60 with at least 20 years of creditable Federal service.
- Minimum Retirement Age (MRA) with at least 30 years of creditable Federal service.

If you have received a written notice that you are being involuntarily separated, you may qualify for a Discontinued Service Retirement if you have at least 5 years of creditable civilian service and meet one of the following criteria:

- Age 50 or older with at least 20 years of creditable service.
- Any age with at least 25 years of creditable service.

Note: If your Center has approval for early retirement, you may be eligible to retire under the Voluntary Early Retirement Authority (VERA). Contact your Center Human Resources (HR) Office for more information on VERA availability.

If you are not eligible for an Optional Retirement, Discontinued Service Retirement, or VERA, skip to Step 3.

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If you are eligible for one of these retirements but still want to pursue a disability retirement, you are allowed to retire under the optional retirement provisions and subsequently file an application for a disability retirement. The benefit of doing this is that if you are unable to work, it ensures you receive monthly retirement annuity payments while OPM is making a decision on your disability retirement request. No retirement disability payments are made while OPM is considering your request (a process that can take 6 to 8 months).

Step 3 – Consider the Impacts on Your Employee Benefits

Consider how accepting a disability retirement annuity can affect your benefits.

- **Federal Employees Health Benefits (FEHB) Program:** To keep your FEHB coverage, you must have had coverage since your first opportunity to enroll or for 5 continuous years immediately preceding the date of your disability retirement. If you do not meet the 5-year requirement you must request a waiver. For more information on the waiver process, contact a Retirement Counselor at the NASA Shared Services Center (NSSC).
- **Federal Employees Dental and Vision Insurance Program (FEDVIP):** Your coverage will continue. If you are not currently enrolled, you will still be eligible to enroll during open season.
- **Federal Employees' Group Life Insurance (FEGLI) Program:** To keep your FEGLI coverage, you must have had coverage since your first opportunity to enroll or for 5 continuous years immediately preceding the date of your disability retirement.
- **Thrift Savings Plan (TSP):** You will not be eligible to make contributions to your TSP account. The only way to contribute to your TSP after retirement is to transfer funds from an eligible retirement plan into TSP. However, you will be eligible to take withdrawals from your account. Please contact TSP directly at 1-877-968-3778 for additional information about withdrawing your TSP account.
- **NASA Employees Benefit Association (NEBA):** You may convert your NEBA policy. For additional information, contact the NEBA provider directly.
- **Federal Long Term Care Insurance Program (FLTCIP):** Your coverage will continue.
- **Federal Flexible Spending Accounts (FSAFEDS):** As an annuitant, you are no longer eligible to participate. You may only submit claims incurred prior to your retirement date. Expenses incurred after your retirement date are not eligible for reimbursement.

Step 4 – Request a Disability Retirement Estimate

You may request a disability retirement estimate at any time. To request a disability retirement estimate, complete and submit the **NSSC Retirement Application or Estimate Request** form at <https://www.nssc.nasa.gov/retirementapp>.

The estimate you will receive will have up to three different annuities. Your annuity benefits will be computed for your first year of retirement, recomputed after the first year, and recomputed again at age 62. The following are the different calculations that will be used to compute your annuity:

- **Year 1** = (60% multiplied by your high three average salary) less 100% of social security benefits.
- **After 1 year** = (40% multiplied by your high three average salary) less 60% of social security benefits.
- **At age 62** = your annuity will be recomputed to represent what you would have received if you had continued working until the day before your 62nd birthday and then retired under FERS nondisability provisions. Your high three average salary is increased by all FERS cost-of-living increases that were effective during the time you received the disability annuity.

Note: Disability retirees are not eligible for a retiree annuity supplement.

If you retire under the disability provisions, you will be eligible for annual Cost-of-Living Adjustments (COLAs) as described below:

- **If you are under age 62 at retirement**, COLAs are not payable for the first 12 months. COLAs that occur after this 12-month period are payable.
- **If you are age 62 or older at retirement or if you meet the age and service requirements for an immediate FERS annuity**, all COLAs occurring after the start date of your annuity are payable. However, the first COLA is subject to being prorated, depending on the number of full months since the start date of the annuity.

Step 5 – Submit a Disability Retirement Application

To submit your request to begin your disability retirement application, complete and submit the **NSSC Retirement Application or Estimate Request** form at www.nssc.nasa.gov/retirementapp. The following is an overview of the required Standard Forms (SFs) and documents that will be included in the detailed instructions sent by the NSSC:

1. SF 3112, Documentation in Support of Disability Retirement Application.
 - **SF 3112A, Applicant's Statement of Disability:** Complete this part of the form.

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- **SF 3112B, Supervisor’s Statement:** Submit this part of the form to your supervisor for completion.
 - **SF 3112C, Physician’s Statement:** Complete Section A, and provide this form along with a copy of your position description to your physician(s). Your physician will provide you with the medical documentation outlined in Section B, and return this form and any relevant medical documentation and/or a letter that provides the required information outlined in the “Medical Documentation Requirements” section. The medical documentation must provide enough information to allow OPM Disability Retirement Specialists to determine that the medical condition meets the eligibility requirements described in Step 1 of this document.
 - **SF 3112E, Agency Certification of Reassignment and Accommodation Efforts:** Submit this form to your servicing HR Office for completion. Your HR Office will review the medical documentation you provided to ensure there are no reasonable accommodations or reassignment options available.
 - **SF 3112E, Disability Retirement Application Checklist:** This will be completed by the NSSC. You do not need to submit this with your application package.
2. SF 3107, Application for Immediate Retirement – Federal Employees Retirement System.
- **Sections A-I:** Complete these sections.
 - **Schedules A, B, and C:** Complete the applicable sections only if you have prior military service or have ever received benefits from the Office of Workers’ Compensation Programs (OWCP) because of a job-related injury or illness.
 - **Certified Summary of Federal Service:** This will be completed by the NSSC and sent to you at the same time you receive your disability retirement estimate. You will need to certify the information is accurate and sign and date the form.
 - **Spouse’s Consent to Survivor Election:** Complete this page only if you are leaving less than the maximum survivor benefit to your spouse. This form will need to be signed by your spouse and notarized.
 - **Agency Checklist of Immediate Retirement Procedures:** This will be completed by the NSSC. You do not need to submit this with your application package.
3. [Federal Medical Evidence of Record \(FEDMER\) Social Security Disability Eligibility Statement](#) or a receipt from the SSA documenting you have applied for benefits through the SSA.
- If you elect to submit a FEDMER Social Security Disability Eligibility Statement, you will still be required to submit the receipt from SSA documenting that you applied for benefits at a later date.
 - SSA may initially deny your claim if you are still working or using sick and/or donated leave because you are still gainfully employed. If this occurs, you must reapply for Social Security benefits when you stop receiving pay and submit evidence of the new Social Security application to OPM. Failure to do so may result in an overpayment of benefits that you will be required to repay.

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4. If you are currently enrolled in the FEGLI Program and are eligible to continue FEGLI into retirement:
 - You will need to submit SF 2818, Continuation of Life Insurance Coverage – FEGLI Program.
 - The NSSC will verify your eligibility and notify you if you are eligible to continue FEGLI after retirement.
5. If you are married, you will need to submit a copy of your marriage certificate.
6. If you have been divorced and your former spouse is entitled to a portion of your retirement benefits as identified in your divorce decree, you need to submit a certified copy of your divorce decree(s).

If you are a current NASA employee or have been separated from NASA for less than 30 days, submit your complete Disability Retirement application directly to the NSSC.

If you have been separated from NASA for more than 30 days, you are required to submit your Disability Retirement directly to OPM at the address indicated on the SF 3112, Documentation in Support of Disability Retirement Application.

Step 6 – Receive Decision from OPM

It typically takes OPM 6 to 8 months to respond with a decision regarding a disability retirement request. However, if you are terminally ill, OPM will expedite your disability retirement request. Terminally ill cases typically only take 1-2 months for a decision. The written decision will be sent to both you and the NSSC.

If your request is denied, continue to Step 7. If your request for disability retirement is approved, skip to Step 8.

Step 7 – Request Reconsideration

If OPM disapproves your request, both you and the NSSC will receive notification from OPM of the disapproval. You will have the option of requesting reconsideration from OPM, and if that is disapproved, you can appeal to the Merit Systems Protection Board (MSPB). OPM will supply additional information on this process and the reasons for the initial disapproval if your request is initially disapproved. You will have 30 days to submit your written request for reconsideration, with the option to request a 30-day extension to allow yourself time to obtain additional supporting documentation. The NSSC will not be involved in this process.

If your request is denied, it is important to know that both you and NASA certified you were not able to successfully perform in your current position when you submitted your application for a Disability Retirement. Therefore, it would be inconsistent to retain you without some change to the conditions of your employment unless there has been an improvement in your medical condition.

To contact the OPM Disability Reconsideration Branch, call 1-202-606-0280.

RELEASED - Printed documents may be obsolete; validate prior to use.

Step 8 – Separate from Federal Employment

If you have already separated from Federal employment, skip to Step 9.

The NSSC will contact you to establish an effective date for your disability retirement. Typically, separation must occur no later than the end of the pay period that the approval is received.

Additional things to take into consideration when determining an effective date:

- **If you have annual leave**, you may not extend the date of your disability retirement by using your annual leave. However, you will receive a lump-sum pay out of any annual leave balance.
- **If you are in receipt of donated or transferred leave**, you may not use this leave for any purpose past the end of the pay period during which the disability retirement approval notice is received from OPM.
- **If you have sick leave**, you have the option of retiring immediately or requesting to be placed on sick leave immediately and use all or part of your sick leave prior to retirement. However, if you request sick leave, you must furnish the same evidence of incapacitation as any other employee who requests sick leave.

Note: Unless otherwise requested, your annuity will start retroactive to your last day in pay status. You also have the option to have the annuity start the day after your official separation. Under most circumstances, it will be to your advantage to have your annuity start date retroactive to your last day in pay status.

Step 9 – Report Annual Earnings to OPM and Comply with OPM Requests for Periodic Medical Examinations

After receiving approval from OPM for disability retirement, you have annual and periodic requirements to fulfill. Failure to comply with OPM requirements may cause your disability annuity to be suspended.

Report Annual Earnings to OPM

You must report your annual income from wages and/or other self-employment to OPM annually until you reach 60 years of age. Typically, the survey is sent in February of each year. If you fail to respond to OPM's request, OPM may suspend your annuity payments until your entitlement to continue annuity payments is established.

If you are restored to earning capacity, payment of your annuity will be discontinued upon reemployment in Federal service or at the expiration of 6 months from the end of the calendar year in which earning capacity is restored.

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- Earning capacity is considered restored if, in any calendar year, your income from wages or self-employment or both equals at least 80% of the current rate of pay for the position you occupied immediately prior to retirement.
- Earnings do not include gifts, pensions/annuities, Social Security benefits, workers' compensation, insurance proceeds, unemployment compensation, rents/royalties not involving or resulting from personal services, interest/dividends not resulting from your own trade or business, money earned before retirement, inheritances, capital gains, prizes/awards, fellowships/scholarships, and net business losses.

Comply with OPM Requests for Periodic Medical Examinations

OPM has the right to request that you provide current medical information and/or undergo reexamination annually until you reach age 60. You are responsible for paying the expenses incurred in complying with OPM's request for medical evidence. If you fail to respond, OPM may suspend your annuity until eligibility for continuance of the disability is satisfactorily established.

Step 10 – Termination of Disability Retirement

If your disability retirement benefits are terminated because you have been found recovered or restored to earning capacity, and you are not reemployed in a position subject to FERS, you may be entitled to a retirement benefit from OPM. If this occurs, you are deemed involuntarily separated as of the date the annuity terminates. You may be eligible for an annuity if you meet one of the following conditions:

- A discontinued service retirement may be payable if either of the following criteria are met:
 - You are at least age 50 when your disability annuity was terminated, with at least 20 years of Federal service (this does not include time spent on disability retirement).
 - You have completed at least 25 years of Federal service, regardless of your age.
- A voluntary optional retirement may be payable if you meet the age and service requirements of any of the following:
 - Age 62 with 5 years of Federal service.
 - Age 60 with 20 years of Federal service.
 - MRA with 10 years of Federal service.

If you have any questions concerning this document, please contact:
NSSC Customer Contact Center
1-877-677-2123 (1-877-NSSC123) or nssc-contactcenter@nasa.gov