**National Aeronautics and Space Administration (NASA)**

**Phased Retirement Agreement**

**INSTRUCTIONS FOR CENTER HUMAN RESOURCES OFFICE**

***Delete this text box prior to finalizing the Agreement*.**

This is a template for the Agreement that must be executed before a NASA employee may enter phased retirement. The Center HR must ensure that required information is entered (fields highlighted in yellow), and that inapplicable sections/references are deleted where appropriate (see fields highlighted in blue). Other specific conditions or agreements between the phased retiree and management may be added. ***The approved Application for Phased Retirement must be attached to this Agreement.***

Before the employee entering phased retirement signs this Agreement, go over its provisions carefully with him or her, and have the employee initial each section.

This is an employment agreement between [Employee Name] (hereinafter “you” or “your”) and the NASA [Center/Organization Name] establishing the terms and conditions under which you will serve in a Phased Employment/Phased Retirement status.

**1. Commitment to Fully Retire \_\_\_\_\_\_\_\_ Employee Initials**

Entering into this Agreement constitutes your commitment to fully retire on or before the end date of the phased retirement period in 2.A., below. You will be separated from Federal employment on that date by retirement, or by resignation if you have not completed the required application process for full retirement. Such separation will be considered voluntary based on this agreement.

**2. Period of Phased Retirement Service \_\_\_\_\_\_\_\_ Employee Initials**

1. The period of your phased retirement service with NASA will be *[number of months and/or years, not to exceed 2 years*] beginning *[effective date]* and ending *[date]*. The beginning date will be the date that you enter phased retirement and your status changes from full time to part time. That date will be documented on SF-50, Notification of Personnel Action.
2. If you are separated in accordance with paragraph 1, above, and are not reemployed within 3 calendar days (i.e., you have a break in service of more than 3 days), you will be deemed to have elected full retirement.
3. You have the right to fully retire at any time during the phased retirement period.
4. The period may be extended at your request, up to a maximum of 3 years, with the approval of the Agency.
   1. You must complete a new Application for Phased Retirement, obtain approval from the appropriate approving official, and execute a new Agreement (or addendum to this Agreement) before the end date in 2.A., above.
   2. By signing this Agreement, you waive any right to grieve or appeal to the Merit Systems Protection Board (MSPB) if your request to extend your period of phased retirement is disapproved.
5. You may request a return to regular (non-phased) employment status; however, return to regular employment, unless you are selected for a vacant position through normal hiring procedures (e.g., a vacancy announcement), is expected to be rare. The following conditions apply to requests for and returns to regular employment:
   1. You must submit a written request to return to regular employment through your supervisor to the Phased Retirement POC in your Center Human Resources Office (HRO).
   2. You may submit such a request at any time; if doing so near the end of your phased retirement period, you should submit at least 90 days before the end date to allow sufficient time to effect your return before the end date in 2.A., above, in accordance with [5 CFR 831.1722 (CSRS) or 5 CFR 848.302 (FERS)].
   3. By signing this Agreement, you waive any right to grieve or appeal to the MSPB if your request to return to regular employment is disapproved.
   4. You have reviewed and understand the regulations describing the effects of ending phased retirement status to return to regular employment: 5 CFR 831.1723 (CSRS) or 5 CFR 848.303 (FERS).
   5. If you return to regular employment you may not re-elect phased retirement again in your career, at any agency.
6. You may accept a position in another agency, with or without the new agency’s approval of phased employment, at any time before the end date in 2.A., above or within 3 days of that date. If you accept an appointment at a new agency as a regular (non-phased) employee, you will be subject to the same effects and restrictions as if you had accepted such a position at NASA, as referenced in 2.E., above.

**3. Work \_\_\_\_\_\_\_\_ Employee Initials**

1. During your phased retirement service, you will perform the work approved in the NASA Application for Phased Retirement, attached.
2. [Delete if not applicable] Your entry into phased retirement includes a [detail or reassignment] to [organization, position, supervisor; other appropriate information].
3. If the priorities or needs of your assigned organization change, you may be assigned to other duties, detailed, or reassigned at management discretion.
4. You may voluntarily apply for or otherwise seek another NASA job and remain a phased retiree, if approved.
   1. If selected, you must submit a new NASA Application for Phased Retirement to the gaining organization, obtain approval, and complete a new Phased Retirement Agreement before your entry into the new position.
   2. The maximum period in which you may be in phased retirement status at NASA remains 3 years – this limit is not extended if you move to a new position.

**4. Mentoring \_\_\_\_\_\_\_\_ Employee Initials**

1. At least 20% of the time that you work as a phased retiree must be spent mentoring, in accordance with the plan in your approved Application for Phased Retirement, attached, unless waived by the appropriate management official due to an emergency or other unusual circumstance that would make it impractical for you to fulfill this requirement, including active military duty or when receiving workers’ compensation.
2. You will record all hours spent in mentoring activities in the NASA Web Based Time and Attendance System (WebTADS) using the type hour code “PRM.”
3. If circumstances prevent you from continuing to mentor in the manner defined by the approved plan (e.g., if a defined mentoree leaves the organization), you will promptly propose an updated mentoring plan to your supervisor for approval. The 20% mentoring requirement must continue to be met.

**5. Work Schedule \_\_\_\_\_\_\_\_ Employee Initials**

1. Your work schedule will be 40 hours per bi-weekly pay period.
2. You may participate in an alternative work schedule if available in your organization, with supervisory approval. Your specific tour of duty will be mutually agreed to with your supervisor.
3. You may not work more than 40 hours in any pay period unless you have received written approval to do so under circumstances that meet all of the following conditions:
   * The work is necessary to respond to an emergency posing a significant, immediate, and direct threat to life or property.
   * The approving official determines that no other qualified employee is available to perform the required work.
   * You are relieved from performing the overtime work as soon as possible.
   * When an emergency situation can be anticipated in advance, management made advance plans to minimize any necessary overtime work that you are required to perform.
4. You may earn credit hours (if authorized) and compensatory time off for travel or religious purposes (under established policy), without the need to obtain approval under emergency conditions as described by 5.C. above. No more than 10 credit hours may be carried over to a subsequent pay period.
5. If you work a significant amount of excess hours beyond the 40-hour schedule, the Office of Personnel Management (OPM) may determine that the intent of phased retirement is being undermined and order NASA to return you to regular (non-phased) employment. In that case you will be subject to the same effects and restrictions as referenced in 2.F., above.
6. Leave – As a part time employee, you will accrue annual and sick leave at a reduced rate based on the number of hours you are in a pay status; i.e., if you are in a pay status for 40 hours in a pay period, you will earn 4 hours of annual leave and 2 hours of sick leave. Phased retirement will not affect your annual leave carryover ceiling. You will maintain your annual and sick leave balances upon transition to phased retirement. You will not receive a lump-sum payment for unused annual leave until full retirement begins.
7. Holidays – As a part‑time employee, you are entitled to paid holiday leave when a holiday falls on a day when you would otherwise be required to work or take leave, for the number of hours scheduled for that day. If a holiday falls on a non-workday, you are not entitled to an “in lieu of” holiday.

**6. Compensation and Benefits \_\_\_\_\_\_\_\_ Employee Initials**

The compensation and benefits effects of phased retirement are primarily described in [5 CFR 831 Subpart Q and Standard Form 2825, Information and Instructions for Completing an Application for Phased Retirement under the Civil Service Retirement System (CSRS)] or [5 CFR 848 and Standard Form 3117, Information and Instructions for Completing an Application for Phased Retirement under the Federal Employees Retirement System (FERS)]. By signing this agreement, you are certifying that you have reviewed these and other applicable materials, and understand and accept all pay and benefits effects resulting from your entry into phased retirement. You also acknowledge that you have received annuity estimates and counseling from the NASA Shared Services Center (NSSC).

A summary of the compensation and benefits effects of phased retirement is as follows:

1. Pay – Your gross pay will equal your regular salary plus locality for the number of hours worked or in approved non-work pay status (e.g., leave, time off award, credit hours).
2. Annuity
   1. You will receive a monthly annuity payment effective the same date as this agreement that equals half of the annuity you would have received if you fully retired on the date you entered phased retirement, except that:
      1. The calculation of your annuity does not include your accrued sick leave (your sick leave will be credited when you enter full retirement), and
      2. There is no reduction for survivor annuity (any reduction for survivor annuity will begin when you enter full retirement).
      3. FERS employees are not eligible for the Retirement Annuity Supplement.
   2. Your phased retirement annuity is subject to a court order providing for division, allotment, assignment, execution, levy, attachment, garnishment, or other legal process.
   3. If you are CSRS, you will receive Cost of Living Adjustments (COLAs) on your phased retirement annuity. If you are FERS, you will not receive a COLA until you reach age 62, unless you have a CSRS component (in which case you will receive COLAs on the CSRS portion of your annuity).
   4. You will receive an interim phased annuity while OPM adjudicates your case; the phased annuity should be finalized within 6 months.
   5. When you fully retire, your full annuity (the "composite retirement annuity") will equal the sum of the phased retirement annuity, updated by any COLAs you received, plus the amount of the final phased portion of the full retirement annuity. The final phased portion of the full retirement annuity equals 50 percent of the full annuity you would have received had you not elected phased retirement and, instead, continued working full-time until full retirement.
      1. The time served as a phased retiree counts as full time years of service in computing the final phased portion of the composite annuity.
      2. The final phased portion of the composite annuity includes credit for unused sick leave.
      3. The composite annuity is subject to a reduction for a survivor annuity election, if applicable.
      4. If applicable, the FERS Annuity Supplement may be paid after you fully retire and begin receiving the composite annuity.
3. Payroll Deductions and Benefits Entitlements
   1. Retirement Contributions – You will continue to accrue credit toward, and make contributions for, an adjusted composite retirement annuity upon full retirement. Applicable deductions for your particular retirement system (CSRS, CSRS Offset, or FERS) will be based on your bi-weekly part time pay, not including awards and premium pay.
   2. Any premium pay you receive will be subject to retirement deductions and agency contributions, but it will not be used in computing your composite annuity.
   3. Health Insurance – You are eligible for the Federal Employee Health Benefit (FEHB) program and may continue your health plan or enroll when otherwise permitted to do so. The employer share of your health benefits premiums will continue as if you are a full-time employee. Your share of the premiums will be deducted, on a pre-taxed basis (if applicable), from your NASA salary.
   4. Life Insurance – If you are in the Federal Employees Group Life Insurance (FEGLI) or the NASA Employees Benefit Association (NEBA), the same costs and benefits apply as for a full time employee. Coverage amounts will be based upon the full-time salary for your position. Your premiums will continue to be deducted from your pay.
   5. Thrift Savings Plan (TSP) –You are eligible to contribute to the plan up to the maximum annual amount allowed by the Internal Revenue Service. If you are in FERS, the Agency’s matching contributions will be based on your bi-weekly part-time pay, not including awards and premium pay. You will not be subject to required minimum distributions or the TSP withdrawal deadline while in phased retirement status. Normal restrictions for TSP loans, financial hardship withdrawals, and age-based in-service withdrawals continue to apply.
   6. Federal Employees Dental and Vision Insurance Program (FEDVIP) and Federal Long Term Care Insurance Program (FLTCIP) – You may participate if otherwise eligible. Premiums will be deducted from your NASA salary.
   7. Union Dues – If you occupy a bargaining unit position, you may have union dues deducted from your pay in accordance with the applicable collective bargaining agreement.

**7. Other Conditions \_\_\_\_\_\_\_\_ Employee Initials**

1. Phased retirement is part time permanent employment. You have all rights associated with this status.
2. You will continue to be subject to the NASA Employee Performance Communication System and to the same workplace standards, rules and expectations that apply to all NASA employees. You must maintain all conditions of employment, such as an applicable security clearance (access authorization), medical or physical standard, and/or applicable professional credentials. You are subject to the same corrective actions as other NASA employees, such as disciplinary or adverse action under 5 CFR 432 or 5 CFR 752, with all associated rights.
3. Telework – If your position is eligible and if mutually agreed to with your supervisor and approving official, you may telework in accordance with existing policies and procedures.
4. You may not be employed in the Federal Government in more than one position at any time. However, you may be employed or engage in other activities, paid or unpaid, outside the Federal Government, including being self-employed, in accordance with the provisions 5 USC 6901. You must consult with a NASA ethics attorney and obtain advance approval when required.
5. In the event of death during the phased retirement period, the death is deemed a death in service and the period is deemed to have been part-time employment, with no credit for extra hours worked, for the purpose of determining survivor benefits.
6. If Voluntary Separation Incentive Payments (VSIP) are approved for your organization and position, your status as a phased retiree may be considered in any decision to grant or deny a VSIP.
7. [Delete if not applicable.] As a regular (non-phased) employee, your position has been included in [define bargaining unit]. This bargaining unit does not include part time employees. Therefore, when you enter into phased retirement status, you will no longer be in the bargaining unit and represented by [Union]. [Note to HRO: It is also possible that a reassignment or other position change agreed to by the employee as a condition of entering phased retirement could move the employee to a position that is not included in the bargaining unit. In this case, include an applicable statement here.]
8. In the event that applicable laws or regulations change that would result in a change(s) in the terms and conditions of this agreement, the parties hereto mutually agree that this agreement will be subject to them. Any changes other than those required by applicable laws or regulations must be mutually agreed to in writing by the parties hereto.

**Certification**

I hereby certify that I have read, understand and accept the terms and conditions of this agreement.

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[Employee Name] Signature and Date

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[Approving Management Official Name/Title] Signature and Date

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[Name/Title of HR Specialist who reviewed Signature and Date

Agreement with employee]

Attachment: Copy of the approved Application for Phased Retirement

Distribution:

Original: Center Human Resources Office

Copy: Employee

Organizational element

NASA Shared Services Center