

2012 Special Incentive Offer FAQs

Postmasters

NOTE: While some voluntary early retirement (VER) related questions and answers are included in these FAQs, eligible employees retiring under the VER provisions of this Special Incentive Offer are strongly encouraged to read the full set of VER FAQs on the Workforce Connection website.

SPECIAL INCENTIVE INQUIRIES as of 5/29/12

1. Why is the Postal Service changing the retirement dates for targeted office?

Due to the overwhelming response to the Special Incentive Offer by Postmasters, for operational and customer service needs, USPS management may need to delay the retirement date of certain Postmasters until either August 31, 2012 or September 30, 2012.

2. How will I be notified if my retirement date will be changed from July 31, 2012 to August 31, 2012 or September 30, 2012?

You will be notified by your manager if a change to your retirement is needed and the new effective date of your retirement to qualify for the incentive.

3. What is the latest date I will be notified that my retirement date will be changed?

Your manager will notify you no later than close of business on 7/10/12 if a change date is needed.

4. If I have received notification that my retirement date will be changed to August 31, 2012 or September 30, 2012 and I am optionally eligible to retire on July 31, 2012 may I still retire on July 31, 2012 and receive the incentive?

No, you will not be eligible to receive the Special Incentive Offer. If your office changes your retirement date for operational needs you must retire on the August 31, 2012 or September 30, 2012 date to receive the Special Incentive Offer.

5. As an optionally eligible employee, I was in process as of May 9, 2012, may I still keep my established retirement date and get the Special Incentive Offer?

Yes, if you were in process as of May 9, with a scheduled retirement date on or before July 31, 2012, you will be permitted to retire on your scheduled retirement date and be eligible for the Special Incentive Offer. There is no further action you need to take.

6. I have not received notification from my office regarding a change to my retirement date but can I voluntarily elect to change my retirement date to August 31, 2012 or September 30, 2012?

No, the decision to change your date to August 31, 2012 or September 30, 2012 is a management decision.

7. If my paperwork has already been mailed to the HRSSC with a retirement date of July 31, 2012, and I have been notified that my date is being changed to August 31, 2012 or September 30, 2012 to be eligible for the Special Incentive Offer, what do I need to do?

Your manager will present you with a Change Date Notification and request you to sign and date it. Your manager will forward the signed Change Date Notification to the HRSSC for processing the change date.

8. I started the retirement process after the announcement of May 9, to retire July 31, 2012, and have not submitted retirement paperwork to the HRSSC and have been notified by my manager that my retirement date is being changed to August 31, 2012 or September 30, 2012. What do I need to do to be included in the Special Incentive Offer?

Since you already started the retirement process with the HRSSC you will be included in the Special Incentive Offer provided you continue the retirement process and submit retirement paperwork with an effective date of August 31, 2012 or September 30, 2012.

9. Will I get an annuity estimate with the updated effective retirement date of August 31, 2012 or September 30, 2012?

Another annuity estimate reflecting a minimal variance to the initial estimate you received will not be sent to you based on a new effective retirement date. Utilize *PostalEASE* using your 8-digit Employee Identification Number (EIN) and 4-digit Personal Identification Number (PIN) to request a NARECS Annuity Estimate based on a retirement date other than July 31, 2012.

GENERAL INQUIRIES

1. What are the basic components of the Special Incentive Offer?

On May 09, 2012, the Postal Service announced a Special Incentive offer for the following targeted eligibility groups:

- All career Postmasters

Employees who are **excluded** from this Special Incentive Offer include the following:

- All Postal Career Executive Service (PCES) Postmasters

The following employees also are excluded from this Special Incentive Offer:

- Employees in a probationary status as of July 31, 2012 (or other date of their retirement or resignation if it is before July 31, 2012)
- Employees who have received a final decision of removal as of July 31, 2012 (or other date of their retirement or resignation if it is before July 31, 2012)
- Employees who separate under disability retirement (Civil Service Retirement System or Federal Employees Retirement System)
- Employees who separate by transferring to a position in another federal agency

Employees who meet the above criteria who wish to take advantage of this Special Incentive Offer must do the following:

- Indicate their desire to take advantage of this Special Incentive Offer by Monday, July 02, 2012, and take one of the following actions:
 - Employees who are eligible to retire under optional (regular) or voluntary early retirement as of July 31, 2012 must retire effective July 31, 2012*
 - All other employees must voluntarily resign effective July 31, 2012*

*Employees are permitted to retire or resign before July 31, 2012 under the circumstances identified in the "How to Take Advantage of This Special Incentive Offer" section below.

2. How do I know if I qualify?

If you meet the criteria identified in Question #1 above and are retirement eligible (under either optional or voluntary early retirement), you will receive an offer letter in the mail from the Human Resources Shared Service Center.

If you are not retirement eligible but want to take advantage of this Special Incentive Offer by voluntary resignation, you must meet the criteria identified in Question #1 above.

3. Can I switch into a position in one of the targeted eligibility groups in order to qualify to take advantage of this Special Incentive Offer?

No. To qualify to take advantage of this Special Incentive Offer, you must occupy a position in a targeted eligibility group identified in Question #1 above as of close of business on May 9, 2012. See Question #1 above for details about eligible groups.

4. Have the unions and management associations been notified?

Yes.

5. Can any employee in the targeted eligibility groups leave under this Special Incentive Offer?

No. Certain employees in the targeted eligibility groups are excluded from this Special Incentive Offer. The excluded employees are identified in Question #1 above.

6. Will there be a limit on the number of employees who will be allowed to leave under this Special Incentive Offer?

No.

INCENTIVE PAYMENTS – HOW MUCH & WHEN PAID

1. What is the incentive amount for full-time Postmasters?

The total incentive amount for full-time Postmasters is \$20,000.

2. How is the incentive pay for full-time employees going to be paid out?

Each full-time Postmaster will be paid an initial incentive payment of \$10,000 on December 21, 2012 (less required deductions and withholdings). The remaining \$10,000 will be paid on December 20, 2013 (less required deductions and withholdings).

3. What is the incentive amount for part-time employees?

The total incentive amount for part-time Postmasters is prorated based on the number of hours paid in the 26 full pay periods prior to 5/9/12. Part-time employees will know their specific incentive amount based on the following schedule:

<i>Number of Paid Hours</i>	<i>Percent of Incentive Payment</i>
Under 520	25
520 and under 1020	50
1020 and under 1520	75
1520 and over	100

The prorated percentages will be applied separately to each of the two incentive payments.

4. How is the incentive pay for part-time employees going to be paid out?

The incentive pay for part-time Postmasters will be paid according to the same schedule as for full-time Postmasters identified in Question #2 above (2 installments, the first on December 21, 2012 and the second on December 20, 2013).

5. Where will my incentive payments be mailed?

Just like terminal leave payments, both of your incentive payments will be mailed to the installation head of the duty station from which you retire or resign.

6. What deductions will be withheld from my incentive payments?

The following deductions will be withheld from your lump sum payment(s):

- Federal Income Tax
- State Income Tax (if applicable)
- Medicare Tax
- Social Security-OASDI Tax*
- Any legally mandated payment

*Applies only to FERS and CSRS Offset employees.

HOW TO TAKE ADVANTAGE OF SPECIAL INCENTIVE OFFER – OPTIONAL RETIREMENT

1. I am in a targeted eligibility group, am not otherwise excluded, and I am already scheduled to retire on or BEFORE July 31, 2012. Can I take advantage of this Special Incentive Offer?

Yes. If you are in process as of May 9, 2012 with a scheduled retirement date on or before July 31, 2012, you will be permitted to retire on your scheduled retirement date and be eligible for this Special Incentive Offer.

2. I am in a targeted eligibility group, am not otherwise excluded, and I am already scheduled to retire AFTER July 31, 2012. Can I take advantage of this Special Incentive Offer?

Yes, under certain conditions. If you are in process as of May 9, 2012 with a scheduled retirement date after July 31, 2012, you will be eligible for this Special Incentive Offer provided you change your retirement date to July 31, 2012. You must contact the Human Resources Shared Service Center no later than 8:30 PM on Monday, July 02, 2012, and request a change of your retirement date to July 31, 2012, and be optionally eligible to retire as of July 31, 2012.

3. I am in a targeted eligibility group, am not otherwise excluded, and I will be eligible for optional retirement as of July 31, 2012. How do I take advantage of this Special Incentive Offer?

To take advantage of this Special Incentive Offer, you must begin the retirement process no later than 8:30 PM EST on Monday, July 02, 2012, and retire effective July 31, 2012. Starting the retirement process does not obligate you to retire. This action simply prompts the printing and/or mailing of a retirement application package so you can begin the process and follow the instructions to schedule a group retirement information session. Use one of the following methods to begin the retirement process for this Special Incentive Offer:

- Via eRetire – Logon to *LiteBlue* at the following link: <https://liteblue.usps.gov/workforceconnection/>. Enter your Employee Identification Number (EIN) and Personal Identification Number (PIN). Select eRetire from Employee Apps – Quick Links carousel in the middle of the screen. Use the arrows in the carousel to locate eRetire. Click on the eRetire icon and follow the prompts to “Log on Now!” to begin the optional retirement process.
- Call the Human Resources Shared Service Center at 1-877-477-3273, option 5, and identify yourself as an employee who has received the Special Optional Retirement Incentive Offer, and request a retirement kit.

HOW TO TAKE ADVANTAGE OF SPECIAL INCENTIVE OFFER – VOLUNTARY EARLY RETIREMENT

1. I am in a targeted eligibility group, am not otherwise excluded, and I will be eligible for voluntary early retirement as of July 31, 2012. How do I take advantage of this Special Incentive Offer?

You must complete and return to the Human Resources Shared Service Center the Acknowledgment of Irrevocability and Application for Immediate Retirement (with an effective date of July 31, 2012) provided with your voluntary early retirement offer. These documents must be received at the HRSSC no later than 8:30 PM EST on Monday, July 02, 2012.

HOW TO TAKE ADVANTAGE OF SPECIAL INCENTIVE OFFER – VOLUNTARY RESIGNATION

- 1. Must I have a minimum amount of service in the Postal Service and/or other federal service in order to qualify to take advantage of this Special Incentive Offer by voluntary resignation?**

No.

- 2. I am in a targeted eligibility group, am not otherwise excluded, and I have already submitted a voluntary resignation with an effective date on or BEFORE July 31, 2012. Can I take advantage of this Special Incentive Offer?**

Yes. If you are in process as of May 9, 2012 with a scheduled resignation date on or before July 31, 2012, you will be permitted to resign on your scheduled resignation date and be eligible for this Special Incentive Offer.

- 3. I am in a targeted eligibility group, am not otherwise excluded, and I have already submitted a voluntary resignation with an effective date AFTER July 31, 2012. Can I take advantage of this Special Incentive Offer?**

Yes, under certain conditions. If you are in process as of May 9, 2012 with a scheduled resignation date after July 31, 2012, you will be eligible for this Special Incentive Offer **provided** you change your resignation date to July 31, 2012. You must contact the Human Resources Shared Service Center no later than 8:30 PM EST on Monday, July 02, 2012, and request a change of resignation date to July 31, 2012.

- 4. I am in a targeted eligibility group, am not otherwise excluded, and will not be eligible for optional or voluntary early retirement as of July 31, 2012. How do I take advantage of this Special Incentive Offer by voluntary resignation?**

You must mail a signed original PS Form 2574 (Resignation from the Postal Service) effective July 31, 2012 to:

Human Resources Shared Service Center
P.O. Box 970520
Greensboro, NC 27497-0520

You must note on the original PS Form 2574 that your resignation is for "Special Incentive Offer".

Your original PS Form 2574 must be **received** by the HRSSC no later than 8:30 PM EST on Monday, July 02, 2012. Photo copies or electronic submissions of PS Form 2574 will not be accepted.

HOW TO TAKE ADVANTAGE OF SPECIAL INCENTIVE OFFER – EMPLOYEES IN THE PROCESS OF TRANSFERRING TO ANOTHER FEDERAL AGENCY

- 1. I am in a targeted eligibility group, am not otherwise excluded, and I am already in the process of transferring to a position in another federal agency. Can I take advantage of this Special Incentive Offer?**

Yes, under certain conditions. If you transfer to a position in another federal agency, you will not qualify for this Special Incentive Offer. However, you can take advantage of this Special Incentive Offer if all of the following conditions are instead met:

- You submit a written request to the Human Resources Shared Service Center to cancel your transfer to the other federal agency. This document must be **received** by the HRSSC no later than 8:30 PM EST on the scheduled effective date of your separation by transfer.

- You mail a signed original PS Form 2574, Resignation from the Postal Service, or SF 2801, Application for Immediate Retirement (CSRS), or SF 3107, Application for Immediate Retirement (FERS), effective July 31, 2012 to:

Human Resources Shared Service Center
P.O. Box 970520
Greensboro, NC 27497-0520

You must note on the original PS Form 2574 that your resignation is for "Special Incentive Offer" or on the SF 2801 or SF 3107 that your retirement is for "Special Incentive Offer".

Your original PS Form 2574 or SF 2801 or SF 3107 must be **received** by the HRSSC no later than 8:30 PM EST on Monday, July 02, 2012.

- The effective date of your appointment to the position in the other federal agency must follow a break in service of more than 4 days after your resignation or retirement from the Postal Service effective July 31, 2012.
- If you retire and accept employment with another agency in a career position after a break in service of more than 4 days, your status with the gaining agency will be that of a reemployed annuitant.

HOW TO TAKE ADVANTAGE OF SPECIAL INCENTIVE OFFER – EMPLOYEES WHO HAVE SUBMITTED A DISABILITY RETIREMENT APPLICATION

- 1. I am in a targeted eligibility group, am not otherwise excluded, and I have already submitted an application for disability retirement. I will be eligible for voluntary early retirement as of July 31, 2012. Can I take advantage of this Special Incentive Offer?**

Yes, under certain conditions. If you separate under disability retirement (Civil Service Retirement System or Federal Employees Retirement System), you will not qualify for this Special Incentive Offer. However, you can take advantage of this Special Incentive Offer if all of the following conditions are instead met:

- You are eligible for voluntary early retirement as of July 31, 2012.
- You withdraw your disability retirement application. An application for disability retirement may be withdrawn at any time prior to approval from the Office of Personnel Management.
- You apply for VER no later than 8:30 PM EST on Monday, July 02, 2012.

HOW TO TAKE ADVANTAGE OF SPECIAL INCENTIVE OFFER – EMPLOYEES ON INJURY COMPENSATION

- 1. I am on Injury Compensation, receiving payments from OWCP and am eligible to retire or separate according to the criteria of this Special Incentive Offer. Will I be notified?**

Employees who are on the USPS rolls, eligible for the Special Incentive Offer (optional retirement or Voluntary Early Retirement) and on Injury Compensation will receive an annuity estimate in the mail. Employees who are receiving OWCP benefits and elect to retire to get the incentive may elect to continue to receive OWCP benefits as an annuitant.

An employee who is receiving OWCP benefits and receives an incentive payment must advise OWCP of the payment; the amount may be deducted from their continuing entitlement.

If an annuitant elects to receive workers' compensation benefits, OPM suspends payment of his or her annuity during the period that compensation benefits are paid. However, if the compensation benefits end for any reason, OPM will reinstate the annuity, if the individual remains entitled.

NOTE: An election between workers' compensation benefits and annuity is not irrevocable. The individual may switch between the two benefits whenever it is to his or her advantage to do so.

REEMPLOYMENT WITH THE POSTAL SERVICE – RETURN OF INCENTIVE PAYMENTS UNDER CERTAIN CIRCUMSTANCES

1. If I retire or voluntarily resign under this Special Incentive Offer, may I seek reemployment with the Postal Service, and if so, will I have to return my incentive payments?

If you retire (optional or voluntary early retirement) or voluntarily resign under this Special Incentive Offer, you may seek reemployment with the Postal Service. Note that if you are reemployed by the Postal Service following retirement (optional or voluntary early retirement), your pay in your new position may be subject to offset by the amount of your retirement annuity (although in certain cases a waiver may be granted).

If you accept a career position with the Postal Service, you must return all incentive payment(s) you have received as a precondition for reappointment ***unless*** a period of 2 years has passed between July 31, 2012 (or other date of your retirement or resignation if it is before July 31, 2012) and the effective date of your reappointment.

If you accept a noncareer position with the Postal Service, you will not be required to return any incentive payment(s) you have received, including if you are a Rural Relief Act hire or you have been granted an offset waiver by the Postmaster General under the 2010 National Defense Authorization Act.

EMPLOYMENT WITH ANOTHER FEDERAL AGENCY – NO RETURN OF INCENTIVE PAYMENTS

1. If I retire or voluntarily resign under this Special Incentive Offer, may I seek employment with another federal agency, and if so, will I have to return my incentive payments?

If you retire or voluntarily resign under this Special Incentive Offer, you may seek employment with another federal agency. Note that if you are employed by another federal agency following retirement from the Postal Service, your pay in your new position may be subject to offset by the amount of your retirement annuity (although in certain cases a waiver may be granted).

You will not be required to return to the Postal Service any incentive payment(s) you have received ***provided*** the effective date of your appointment to your new position in the other federal agency follows a break in service of more than 4 days after July 31, 2012 (or other date of your retirement or resignation if it is before July 31, 2012) and the effective date of your appointment.

BASIC RETIREMENT ELIGIBILITY – OPTIONAL AND VOLUNTARY RETIREMENT

1. Who is eligible for optional retirement?

The requirements are different for employees covered by the Civil Service Retirement System (CSRS) /Civil Service Retirement System Offset (CSRS Offset) and employees covered by the Federal Employees Retirement System (FERS).

CSRS and CSRS Offset

Employees covered by CSRS and CSRS Offset are eligible if they meet the following requirements:

a. Age and service requirements as follows:

- At least 55 years of age with at least 30 years of service, or
- At least 60 years of age with at least 20 years of service, or
- At least 62 years of age with at least 5 years of service, *and*

b. At least 5 years **MUST** be creditable civilian service, not military service. Employees may use military service to meet the balance of service required for eligibility, *and*

c. You must separate from a position subject to CSRS coverage, *and*

d. You must have been employed under CSRS for at least 1 year out of the last 2 years, but the service need not be continuous.

FERS

Employees covered by FERS are eligible if they meet the following requirements:

a. Age and service requirements as follows:

For an unreduced optional retirement:

- At least Minimum Retirement Age (MRA)—which is from age 55 to 57 depending on your year of birth—with at least 30 years of service, or
- At least 60 years of age with at least 20 years of service, or
- At least 62 years of age with at least 5 years of service, *and*

For a reduced optional retirement:

- Not eligible for an unreduced retirement, and at least MRA with at least 10 years of service—you will have a permanent reduction in your annuity of 5% for each year (five-twelfths of one percent (1%) for each full month) you are under age 62 (you may retire and then postpone receiving your annuity to lessen this reduction), *and*

b. At least 5 years **MUST** be creditable civilian service, not military service. Employees may use military service to meet the balance of service required for eligibility, *and*

c. You must separate from a position subject to FERS coverage.

d. There is no “1 out of 2” requirement under FERS as there is with CSRS. Thus, the employee who elects to transfer to FERS does not have to be under FERS for one (1) year to be eligible to retire.

In addition to your basic annuity, you also receive the FERS Special Retirement Supplement if you take an unreduced optional retirement having reached your MRA with at least 30 years of service or age 60 with at least 20 years of service. This supplement, which is only for eligible FERS employees, is paid by the Office of Personnel Management (OPM), which estimates the Social Security benefit earned by your FERS years of service. It is paid **AS PART OF YOUR ANNUITY** until you become eligible for a Social Security benefit at age 62 and is subject to Social Security earnings limits.

THERE IS NO PENALTY FOR FERS EMPLOYEES TAKING OPTIONAL RETIREMENT EXCEPT FOR FERS EMPLOYEES WHO RETIRE UNDER REDUCED OPTIONAL RETIREMENT WITH MRA + 10 YEARS OF SERVICE.

2. Who is eligible for voluntary early retirement?

Employees covered by CSRS, CSRS Offset, and FERS are eligible for voluntary early retirement if they meet the following requirements:

- At least 50 years of age with at least 20 years of service, or any age with at least 25 years of service, *and*
- At least 5 years **MUST** be creditable civilian service, not military service. Employees may use military service to meet the balance of service required for eligibility, *and*
- CSRS and CSRS Offset employees must have been employed under CSRS for at least 1 year out of the last 2 years, but the service need not be continuous *and*
- Hold a position in a targeted eligibility group, *and*

- Have been continuously employed by the Postal Service for at least 31 days before the date the Postal Service requested VER authority from the Office of Personnel Management (OPM), *and*
- Hold a position that is not a time-limited appointment, *and*
- Not be in receipt of a final decision of removal based on misconduct or unacceptable performance

Under VER, for CSRS and CSRS Offset employees, and for the CSRS component for FERS employees who have one, the annuity benefit will be permanently reduced by 2% for each year that you are below age 55 when you retire through VER.

For FERS employees ONLY – The FERS Special Retirement Supplement is an annuity supplement paid by the OPM, which estimates the Social Security benefit earned by your FERS years of service. It is paid AS PART OF YOUR ANNUITY until you become eligible for a Social Security benefit at age 62 and is subject to Social Security earnings limits. Note that under VER, this supplement is payable only if you have reached your Minimum Retirement Age (MRA) – your earliest optional retirement age. If you are separating at less than MRA, the supplement will not be paid until you reach your MRA. For additional Q&As on the FERS Special Retirement Supplement, refer to the VER FAQs, Questions #18-24.

THERE IS NO PENALTY FOR FERS EMPLOYEES TAKING VER WHO DO NOT HAVE A CSRS COMPONENT IN THEIR ANNUITY. (NOTE THAT THERE IS A PENALTY FOR FERS EMPLOYEES WHO RETIRE UNDER REDUCED OPTIONAL RETIREMENT WITH MRA + 10 YEARS OF SERVICE).

3. What is the major difference between voluntary early retirement and optional retirement?

The age and service requirements are less under VER than under unreduced optional retirement.

In addition, under VER for CSRS and CSRS Offset employees, and for the CSRS component for FERS employees who have one, the annuity benefit will be permanently reduced by 2% for each year that you are below age 55 when you retire through VER.

For FERS employees who take an optional retirement under MRA + 10 years of service, there is a permanent reduction in the annuity of 5% for each year you are under age 62. You may retire and then postpone receiving your annuity to lessen this reduction.

THERE IS NO PENALTY FOR FERS EMPLOYEES TAKING VER WHO DO NOT HAVE A CSRS COMPONENT IN THEIR ANNUITY. THERE IS A PENALTY FOR FERS EMPLOYEES WHO RETIRE UNDER REDUCED OPTIONAL RETIREMENT WITH MRA + 10 YEARS OF SERVICE.

BUY BACK OF MILITARY SERVICE TO MEET RETIREMENT ELIGIBILITY REQUIREMENTS

1. Can I make a military buy-back deposit to become eligible for retirement in order to take advantage of the Special Incentive Offer?

Yes, for either optional or voluntary early retirement, provided the deposit is paid in full, plus applicable interest, prior to July 31, 2012 (or other date of retirement if it is before July 31, 2012). You may initiate this payment while completing the retirement application package. To begin the military buy-back process, please contact the Human Resources Shared Service Center.

VOLUNTARY RESIGNATION – EFFECT ON RETIREMENT AND OTHER BENEFITS

1. If I take advantage of this Special Incentive Offer by voluntary resignation, how will my retirement and other benefits be affected?

HEALTH BENEFITS:

If you are enrolled in the Federal Employees Health Benefits Program (FEHB), your coverage ends on the last day of the pay period in which you separate from the Postal Service, subject to a 31-day temporary extension of coverage (at no cost to you). This coverage is provided in the same enrollment category so you may convert to a nongroup (individual) contract with your current health benefits plan.

If you or a family member is an inpatient in a hospital on day 31 of your extension of coverage, FEHB for the hospitalized person will continue for the length of the hospitalization, up to a maximum of 60 more days, unless you convert to a nongroup (individual) contract.

You also have the right to Temporary Continuation of Coverage (TCC) for up to 18 months after your separation instead of converting to a nongroup contract when you separate. You may select any plan in the FEHB Program in which to continue your coverage if you are eligible to enroll in the plan. To enroll in TCC you must contact the HR Shared Service Center within 60 days from the date you separate. If you enroll, you must pay the full premium cost (both the employee and the Postal Service shares) plus a 2 percent administrative surcharge. Your enrollment will begin on day 32, following your 31 days of free coverage described above. If you continue the coverage to the end of the 18-month period, you will have another 31-day temporary extension of coverage for conversion to a nongroup contract.

LIFE INSURANCE:

Your life insurance coverage (including Accidental Death and Dismemberment [AD&D] insurance) will stop at the end of the day in which you separate from the U.S. Postal Service. You will have a temporary extension of coverage for 31 days after your life insurance terminates. This temporary extension of coverage does not include AD&D insurance. No premiums are required during this temporary extension.

When Federal Employees' Group Life Insurance (FEGLI) coverage as an employee stops, you are entitled to a 31-day extension of coverage and you may convert your FEGLI coverage to an individual policy. The conversion coverage is effective at the end of the 31-day extension of coverage. No medical examination is required, although you may be asked a few questions about your health to see if you qualify for a lower premium.

You may convert to an individual policy in an amount less than or equal to the total of your Basic and Optional insurance (if applicable). However, you may not convert coverage if you return to federal service in a position in which you are eligible for FEGLI coverage within three calendar days after you left federal service. If you have assigned your insurance, only your assignee(s), may convert your Basic, Option A, and Option B coverage. You are still entitled to convert your Option C coverage since Option C cannot be assigned.

The HR Shared Service Center will notify you of your conversion rights when your life insurance coverage ends. However, you are responsible for ensuring that you have received the necessary forms and information from the HRSSC on time, so that you may act promptly, since you only have 31 days in which to convert your coverage.

DEFERRED RETIREMENT:

If you do not qualify for an optional retirement or a voluntary early retirement as explained in the Eligibility Q&As above, you may still qualify for a deferred retirement. Deferred retirement means that you will not receive an annuity from the Office of Personnel Management (OPM) immediately, but you do qualify to collect one in the future. Qualifying for a deferred retirement does not make you eligible for Federal Employees Health Benefits or Federal Employees Group Life Insurance during retirement. The rules for deferred retirement are different for employees covered by the Civil Service Retirement System (CSRS) and employees covered by the Federal Employees Retirement System (FERS).

Deferred Retirement: CSRS and CSRS Offset

If you are covered by CSRS or CSRS Offset you are eligible for deferred retirement if you are not eligible for an immediate annuity within one (1) month of separation and meet the following requirements:

- a. You turn age 62, *and*
- b. You have at least 5 years of creditable civilian service, not military service, *and*

- c. You must have been employed under CSRS for at least one year out of the last two years before your final separation from the Postal Service or federal employment on which your retirement is based, *and*
- d. You did not receive a refund of the retirement contributions covering your final period of service.
- e. Use OPM Form 1496A, Application for Deferred Retirement, to apply for deferred retirement benefits under the Civil Service Retirement System and send your completed application to:

U.S. Office of Personnel Management
Retirement Operations Center
Post Office Box 45
Boyers PA 16017

Deferred Retirement: FERS

Employees covered by FERS are eligible for deferred retirement if they are not eligible for an immediate annuity within one (1) month of separation and meet the following requirements:

- a. Age and service requirements as follows:
- Minimum Retirement Age (MRA)—which is from age 55 to 57 depending on your year of birth—with at least 10 years of service, or
 - 62 years of age with at least 5 years of service, *and*
- b. At least 5 years MUST be creditable civilian service, not military service.
- c. If you have completed at least 10 and fewer than 30 years of service, your annuity will be reduced if it begins before age 62 (unless it begins after you've reached age 60 and you had at least 20 years of service). Your annuity will be permanently reduced 5% for each year (five-twelfths of one percent (1%) for each full month) you are under age 62. You may elect to postpone receiving your annuity to lessen this reduction.
- d. Use Form RI 92-19, Application for Deferred or Postponed Retirement, to apply for deferred or postponed retirement annuity under the Federal Employees Retirement System, and send your completed application to:

U.S. Office of Personnel Management
Retirement Operations Center
Post Office Box 45
Boyers, PA 16017