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In-The-Know Monthly eNewsletter

Disability Retirement - Part II

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Under CSRS or FERS, if you are already eligible for a regular immediate retirement (based on age and service, with no reduction for early age) and are experiencing a health issue that is preventing you from doing your Federal job, you may also be eligible for Disability Retirement. But before committing yourself to applying for Disability Retirement, it is recommended that you first check with your agency retirement officer to help determine whether a regular retirement would be better. Depending upon your unique circumstances, regular retirement may be the better choice, especially if you are already eligible to retire with a full (unreduced) pension under FERS.

There are some exceptions to this rule under CSRS. Regardless of which retirement system you are under, IF you are already eligible to retire, ask your agency retirement officer to prepare retirement estimates under both regular and Disability Retirement to aid in determining this for yourself. It is a good idea to do this BEFORE spending much time filling out application forms.

In most situations (especially under FERS), if you are already eligible to retire, a regular retirement could mean more money (because Disability Retirement would not include unused sick leave in the computation of the pension). Also, there is less paperwork involved with a regular retirement and you would not have to wait as long just to determine your eligibility as with a Disability Retirement.

Most importantly, if you encounter a health issue that begins to interfere with your Federal job between now and the time you become eligible for a regular retirement, you would want to start looking into the possibility of applying for Disability Retirement sooner rather than later. The Disability Retirement application process can be lengthy... there are many forms and supporting documents that must be completed... not just documentation from you but also from your supervisor, your physician(s), and your human resources office.

It can take some time to gather some of this documentation and once your application is forwarded to OPM for review, it may again, be some time before OPM makes a determination. You do not want to find yourself in a non-pay status while waiting on this.

A positive note regarding non-pay status... if eventually approved for Disability Retirement, OPM would pay the pension retroactive to your last day in a pay status. But you do not want to put yourself through a temporary financial hardship if it can be avoided. It is recommended to start having conversations with your agency retirement officer as soon as you think the health issue might eventually interfere with your job capabilities. Not only can your retirement officers prepare estimates, they can also walk you through the entire application process and help understand which documents/forms need to be submitted to initiate the process.

The more medical documentation supporting your claim, the better you will be in this process. MORE is definitely BETTER, when it comes to supplying medical documentation to support your application for Disability Retirement. Ideally, obtain specific statements from your physician(s) that convey their opinions of your health condition regarding how that affects your ability to perform various functions (both on and off the job). Providing your physician(s) with details of your job description will aid them in preparing their statements.

Historical medical documentation is important but it is also important to have recent documentation to support your application. It would also be helpful if the physician provides an estimate of the expected date of full or partial recovery or if no recovery is expected. Although the Disability Retirement application includes an outline for the Physician's Statement, more details as to the type of information helpful to OPM in making a determination can be found in Chapter 60 of the CSRS/FERS Handbook. <http://www.opm.gov/retirement-services/publications-forms/csrsfers-handbook/c060.pdf>

You do not have to wait until you gather all your supporting medical documentation to file an initial application for Disability Retirement. Submit

what you have when filing the initial application. Your agency retirement officer can send the primary application forms to OPM to initiate the process. Additional supporting documents (from the supervisor, physicians, etc.) can be sent later as they become available.

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OPM will not make a final decision until all the appropriate documents are received but they can at the least open the case and start working towards a decision. Meanwhile, gather and submit additional physician statements and more recent medical documentation until you have provided all intended documents.

If approved for Disability Retirement, be sure to understand the two ways that you could lose your Disability Retirement before reaching the age of 60. One of these has to do with recovering from your health condition and the other with work income after retirement. Your retirement officer can discuss this at your initial meetings to discuss consideration for this type of retirement.

James Marshall is an NITP seminar instructor on Federal retirement benefits and the owner of Federal Retirement Planning, LLC.

SPECIAL ANNOUNCEMENT

Listen to the March 23, 2015 *For Your Benefit* radio show for information on possible tax law changes as mentioned by the President during his FY 2016 Federal Budget address. These changes could impact the transfer of the Voluntary Contribution funds into a Roth IRA, close the backdoor Roth opportunity, and no longer allow a stretch IRA to non-spouse beneficiaries. This show is an update of our January 5, 2015 presentation on "A Practical Guide to Roth IRA Conversions." This program begins at 10:05 AM EST as indicated below.

NITP's goal is to educate Federal employees about their benefits and financial opportunities throughout their careers. To learn more about our seminars and/or to schedule a seminar at your agency, contact our business office at 301-309-0138. Visit our new website, www.nitpinc.com for information on:

1. **Our monthly webinar series**, Second Thursdays, from 2-3 PM, ET, is an excellent source of information. This is a way to uncover little-talked about details regarding your retirement benefits, Social Security claims, TSP accounts, and more. Webinar sign-up links are available on the homepage of our website.
2. **Our weekly radio program**, ForYourBenefit, which is a great source of timely retirement information; it airs every Monday morning at 10:05 AM on WFED 1500 AM and on the web at www.federalnewsradio.com. This is your opportunity to email questions regarding the show's topic at ForYourBenefit@nitpinc.com or call into the show at **202-465-3080**. [MP3 downloads](#) of past shows are also available
3. **Our Senior Benefits Director, Tammy Flanagan's weekly column** entitled "Retirement Planning", published on GovExec's website. For links to the current article and an archived list of past articles, visit www.nitpinc.com, and click on the link to "Tammy's Weekly GovExec Articles" in the Quick Links Box in the right corner of our website.

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