

has a bona fide intent to return to school as a full-time student immediately after the break. The full-time certification for the period term and the certification (in a form prescribed by OPM) by the recipient of a child's annuity payments that the student intends to return to school (immediately after the break) as a full-time student constitute prima facie evidence of a bona fide intent to return to school.

(e) *Benefits after age 22.* (1) A student's eligibility for a child's annuity terminates based on reaching age 22 on—

(i) June 30 of the calendar year of the child's 22nd birthday if the child's birthday is before July 1; or

(ii) The last day of the month before the child's 22nd birthday if the child's birthday occurs after June 30 but before September 1 of the calendar year; or

(iii) June 30 of the year after the one in which the child attains age 22 if the child's birthday is after August 31 of the calendar year.

(2)(i) An otherwise eligible child who becomes a full-time student after his or her 22nd birthday but before the date the annuity terminates under paragraph (e)(1) of this section is eligible for annuity while he or she is a full-time student until the termination date under paragraph (e)(1) of this section.

(ii) An otherwise eligible child who is a full-time student, and whose parent dies after the child's 22nd birthday but before the date the annuity terminates under paragraph (e)(1) of this section, is eligible for annuity while he or she is a full-time student after the death of the parent until the termination date under paragraph (e)(1) of this section.

[58 FR 32052, June 8, 1993]

§ 843.411 Direct payments to children.

For purposes of section 8466(c) of title 5, United States Code, persons who have attained age 18 are considered adults, regardless of the age of majority in the jurisdiction in which they reside.

Subpart E—Insurable Interest Annuities

§ 843.501 Purpose.

This subpart explains the benefit payable under FERS to an insurable interest beneficiary based on the death of a retiree who elected to take an annuity reduction to provide such benefits.

§ 843.502 Eligibility.

An insurable interest beneficiary is eligible for an annuity under this subpart upon the death of a retiree if the retiree had elected (under § 842.606 of this chapter) to receive an insurable interest rate with the insurable interest beneficiary as his or her survivor.

§ 843.503 Commencing and terminating dates.

(a) An annuity under this subpart commences on the day after the retiree dies.

(b) An annuity under this subpart terminates on the last day of the month before the insurable interest beneficiary dies.

(c) A survivor annuity accrues on a daily basis, one-thirtieth of the monthly rate constituting the daily rate. An annuity does not accrue for the 31st day of any month, except in the initial month if the survivor's (of a deceased employee) annuity commences on the 31st day. For accrual purposes, the last day of a 28-day month constitutes 3 days and the last day of a 29-day month constitutes 2 days.

§ 843.504 Rate of annuity.

The amount of an annuity under this subpart is 55 percent of the retiree's annuity after the insurable interest reduction.

PART 844—FEDERAL EMPLOYEES' RETIREMENT SYSTEM—DISABILITY RETIREMENT

Subpart A—General Provisions

Sec.

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- 844.404 Reinstatement of disability annuity.

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Subpart A—General Provisions

§ 844.101 Purpose.

This part establishes the requirements under the Federal Employees' Retirement System (FERS) for eligibility to receive a disability annuity, application procedures for disability annuities, rules for computing a disability annuity, and the conditions and procedures under which a disability annuity is terminated and reinstated.

§ 844.102 Definitions.

In this part:

Accommodation means a reasonable adjustment made to an employee's job or work environment that enables the employee to perform the duties of the position. Accommodation may include

modifying the worksite; adjusting the work schedule; restructuring the job; obtaining or modifying equipment or devices; providing interpreters, readers, or personal assistants; and retraining the employee.

Basic pay means the pay an employee receives that is subject to deductions under FERS.

Commuting area has the meaning given the term "local commuting area" in §351.203 of this chapter.

Disabled and *disability* means unable or inability, because of disease or injury, to render useful and efficient service in the employee's current position.

FERS means the Federal Employees' Retirement System established under chapter 84 of title 5, United States Code.

Medical condition means a health impairment resulting from a disease or injury, including a psychiatric disease. This is the same definition of "medical condition" that is found in §339.104 of this chapter.

Medical documentation means a statement from a licensed physician, which may be supplemented by a statement from another appropriate practitioner, that provides information OPM considers necessary to determine an individual's entitlement to benefits under this part. Such a statement must meet the criteria set forth in §339.104 of this chapter.

Military reserve technician has the same meaning given this term in 5 U.S.C. 8401(30).

OPM means the Office of Personnel Management.

Permanent position means an appointment without time limitation.

Physician and *practitioner* have the same meaning given these terms in §339.104 of this chapter.

Qualified for reassignment means able to meet the minimum requirements for the grade and series of the vacant position in question.

Same grade or pay level means, in regard to a vacant position within the same pay as the position the employee currently occupies, the same grade and an equivalent amount of basic pay. A position under a different pay system or schedule is at the same pay level if the representative rate, as defined in

§ 532.401 of this chapter, equals the representative rate of the employee's current position.

Useful and efficient service means acceptable performance of the critical or essential elements of the position; and satisfactory conduct and attendance.

Vacant position means an unoccupied position of the same grade or pay level and tenure for which the employee is qualified for reassignment that is located in the same commuting area and, except in the case of a military reserve technician, is serviced by the same appointing authority of the employing agency. The vacant position must be full time, unless the employee's current position is less than full time, in which case the vacant position must have a work schedule of no less time than that of the current position. In the case of an employee of the United States Postal Service, a vacant position does not include a position in a different craft or a position to which reassignment would be inconsistent with the terms of a collective bargaining agreement covering the employee.

§ 844.103 Eligibility.

(a) Except as provided in paragraph (c) of this section, an individual must meet the following requirements in order to receive a disability annuity:

(1) The individual must have completed at least 18 months of civilian service that is creditable under FERS, as defined in § 842.304 of this chapter;

(2) The individual must, while employed in a position subject to FERS, have become disabled because of a medical condition, resulting in a deficiency in performance, conduct, or attendance, or if there is no such deficiency, the disabling medical condition must be incompatible with either useful and efficient service or retention in the position;

(3) The disabling medical condition must be expected to continue for at least 1 year from the date the application for disability retirement is filed;

(4) Accommodation of the disabling medical condition in the position held must be unreasonable; and

(5) The individual must not have declined an offer of reassignment to a vacant position.

(b) The employing agency must consider a disability applicant for reassignment to any vacant position. The agency must certify to the Office of Personnel Management (OPM) either that there is no vacant position or that, although it made no offer of reassignment, it considered the individual for a vacant position. If an agency offers a reassignment and the individual declines the offer, the individual may appeal the agency's determination that the individual is not disabled for the position in question to the Merit Systems Protection Board under 5 U.S.C. 7701.

(c)(1) Paragraphs (a)(2) through (a)(4) of this section do not apply to a military reserve technician who retires under 5 U.S.C. 8456.

(2) An individual who separates from employment as a military reserve technician under circumstances set forth in 5 U.S.C. 8456(a)(1) after reaching age 50 and completing 25 years of service is not entitled to a disability annuity under this part, but is entitled to an annuity under § 842.210 of this chapter.

(3) A former military reserve technician is not entitled to an annuity under 5 U.S.C. 8456 based on service as a technician if the technician is subsequently appointed to another position in the Federal Government.

§ 844.104 Administrative review of OPM decisions.

Any individual whose rights or interests under FERS are affected by an initial decision of OPM may request OPM to review its decision under § 841.306.

§ 844.105 Relationship to workers' compensation.

(a) Except as provided in paragraph (b) of this section, an individual who is eligible for both an annuity under part 842 or 844 of this chapter and compensation for injury or disability under subchapter I of chapter 81 of title 5, United States Code (other than a scheduled award under 5 U.S.C. 8107(c)), covering the same period of time must elect to receive either the annuity or compensation.

(b) Notwithstanding the provisions of paragraph (a) of this section, an individual may concurrently receive an annuity based on the individual's service

under part 842 or 844 of this chapter and a benefit under subchapter I of chapter 81 of title 5, United States Code, on account of the death of another individual. An individual may also receive an annuity under part 843 of this chapter and compensation for injury or disability to himself or herself under such subchapter I covering the same period of time.

(c) An individual who elects to receive compensation payments under paragraph (a) of this section and who has not received a refund of contributions under § 843.202 retains the right to elect to receive an annuity under part 842 or 844, as the case may be, in the event that the individual's compensation payments cease or are reduced.

§ 844.106 Disability annuities which include credit for service with a non-appropriated fund instrumentality.

A disability annuity that includes credit for service with a non-appropriated fund instrumentality performed after December 31, 1965, based on an election under subpart D of part 847 of this chapter is computed under part 847 of this chapter.

[61 FR 41721, Aug. 9, 1996]

Subpart B—Applications for Disability Retirement

§ 844.201 General requirements.

(a)(1) Except as provided in paragraphs (a)(3) and (a)(4) of this section, an application for disability retirement is timely only if it is filed with the employing agency before the employee or Member separates from service, or with the former employing agency or OPM within 1 year thereafter.

(2) An application for disability retirement that is filed with OPM, an employing agency or former employing agency by personal delivery is considered filed on the date on which OPM, the employing agency or former employing agency receives it. The date of filing by facsimile is the date of the facsimile. The date of filing by mail is determined by the postmark date; if no legible postmark date appears on the mailing, the application is presumed to have been mailed 5 days before its receipt, excluding days on which OPM,

the employing agency or former employing agency, as appropriate, is closed for business. The date of filing by commercial overnight delivery is the date the application is given to the overnight delivery service.

(3) An application for disability retirement that is filed with OPM or the applicant's former employing agency within 1 year after the employee's separation, and that is incompletely executed or submitted in a letter or other form not prescribed by OPM, is deemed timely filed. OPM will not adjudicate the application or make payment until the application is filed on a form prescribed by OPM.

(4) OPM may waive the 1-year time limit if the employee or Member is mentally incompetent on the date of separation or within 1 year thereafter, in which case the individual or his or her representative must file the application with the former employing agency or OPM within 1 year after the date the individual regains competency or a court appoints a fiduciary, whichever is earlier.

(b)(1) Before payment of a disability annuity under this part can be authorized, the applicant must provide OPM with:

(i) Satisfactory evidence that the applicant has filed an application for disability insurance benefits under section 223 of the Social Security Act; or

(ii) An official statement from the Social Security Administration that the individual is not insured for disability insurance benefits as defined in section 223(c)(1) of the Social Security Act.

(2) A disability retirement application under this part will be dismissed when OPM is notified by the Social Security Administration that the application referred to in paragraph (b)(1)(i) of this section has been withdrawn. All rights to an annuity under this part terminate upon withdrawal of an application for social security disability benefits.

(c) An agency may consider the existence of a pending disability retirement application when deciding whether and when to take other personnel actions. An employee's filing for disability retirement does not require the agency

to delay any appropriate personnel action.

[55 FR 6598, Feb. 26, 1990, as amended at 63 FR 17050, Apr. 8, 1998]

§ 844.202 Agency-filed disability retirement applications.

(a) *Basis for filing an application for an employee.* An agency must file an application for disability retirement of an employee who has 18 months of Federal civilian service when all of the following conditions are met:

(1) The agency has issued a decision to remove the employee;

(2) The agency concludes, after its review of medical documentation, that the cause for unacceptable performance, attendance, or conduct is disease or injury;

(3) The employee is institutionalized, or the agency concludes, based on a review of medical and other information, that the employee is incapable of making a decision to file an application for disability retirement;

(4) The employee has no personal representative or guardian; and

(5) The employee has no immediate family member who is willing to file an application on his or her behalf.

(b) *Agency procedures.* (1) When an agency issues a decision to remove an employee and not all of the conditions described in paragraph (a) of this section have been satisfied, but the removal is based on reasons apparently caused by a medical condition, the agency must advise the employee in writing of his or her possible eligibility for disability retirement and of the time limit for filing an application.

(2) If all of the conditions described in paragraph (a) of this section have been met, the agency must inform the employee in writing at the same time it informs the employee of its removal decision, or at any time before the separation is effected, that:

(i) The agency is submitting a disability retirement application on the employee's behalf to OPM;

(ii) The employee may review any medical information in accordance with § 294.106(d) of this chapter; and

(iii) The action does not affect the employee's right to submit a voluntary application for disability retirement or

any other retirement benefit to which the employee is entitled under FERS.

(3) When an agency submits an application for disability retirement to OPM on behalf of an employee, it must provide OPM with copies of the decision to remove the employee, the medical documentation, and any other documents needed to show that the cause for removal results from a medical condition. Following separation, the agency must provide OPM with a copy of the documentation of the separation.

(c) *OPM procedures.* (1) OPM will not act on any application for disability retirement filed by an agency on behalf of an employee until it receives the appropriate documentation of the separation. When OPM receives a complete application for disability retirement under this section, it will notify the former employee that it has received the application and that he or she may submit medical documentation. OPM will determine entitlement to disability benefits under § 844.203.

(2) OPM will cancel any disability retirement when a final decision of an administrative authority or court reverses the removal action and orders the reinstatement of an employee to the agency rolls.

§ 844.203 Supporting documentation.

(a) An individual or agency filing an application for disability retirement is responsible for providing OPM with the evidence described in § 844.201(b)(1), as well as whatever documentation OPM requires in order to determine whether the individual meets the eligibility requirements set forth in § 844.103. The documentation must be provided in a form prescribed by OPM. Failure to submit the documentation required is grounds for dismissing the application. It is also the responsibility of the disability annuitant to obtain and submit evidence OPM requires to show continuing entitlement to disability benefits. Unless OPM orders an examination by a physician of its choice under paragraph (b) of this section, the cost of providing medical documentation rests with the applicant or disability annuitant.

(b) OPM may offer the applicant a medical examination when it determines that an independent evaluation

§ 844.301

of medical evidence is needed in order to make a decision regarding an application for a disability annuity or a disability annuitant's entitlement to continuing benefits. The medical examination will be conducted by a medical officer of the United States or a qualified physician or board of physicians designated by OPM. The applicant's refusal to submit to an examination is grounds for dismissal of the application or termination of payments to an annuitant.

(c)(1) OPM will review the documentation submitted under paragraph (a) of this section to determine whether the individual has met the eligibility requirements set forth in § 844.103. OPM will issue its decision in writing to the individual and to the employing agency. The decision will include a statement of OPM's findings and conclusions and an explanation of the applicant's right to request reconsideration or MSPB review under § 844.104.

(2) OPM may rescind a decision to allow an application for disability retirement at any time if OPM determines that the original decision was erroneous due to fraud, misstatement of fact, or upon the acquisition of additional medical or other documentation. OPM will provide the individual and the employing agency with written notification of the rescission, including a statement of OPM's findings and conclusions and an explanation of the individual's right to request reconsideration or MSPB review under § 844.104.

(d) Subject to 5 U.S.C. 552a, any supporting documentation provided to OPM under this section may be shared with the Social Security Administration and the Office of Workers' Compensation Programs of the U.S. Department of Labor.

Subpart C—Computation of Disability Annuity

§ 844.301 Commencing date of disability annuity.

A disability annuity under this part commences on the day after the employee separates or the day after pay ceases and the employee meets the requirements for title to an annuity.

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§ 844.302 Computation of disability annuity before age 62.

(a) For the purposes of this subpart, the "adjusted social security disability benefit" is the benefit to which an annuitant is entitled under section 223 of the Social Security Act:

(1) For the month in which the annuity under this part commences, or is reinstated under § 844.405, or, if later, the first month for which the annuitant is entitled to both an annuity under this part and a social security disability benefit;

(2) Including, where appropriate, a reduction under section 224 of the Social Security Act, based on the amount of the disability annuity under this subpart without regard to paragraphs (b)(2) and (c)(2) of this section; and

(3) Adjusted by each cost-of-living increase effective under 5 U.S.C. 8462(b) beginning with the later of the month after the 12-month period referred to in paragraph (b)(1) of this section, or the first month for which the annuitant is entitled to both an annuity under this part and a social security disability benefit.

(b)(1) Except as otherwise provided in this part, the annuity payable under this subpart until the end of the 12th month beginning after the annuity commences (or is reinstated under § 844.405) is equal to 60 percent of the annuitant's average pay.

(2) For months for which the annuitant is also entitled to a social security disability benefit, the amount computed under paragraph (b)(1) of this section is reduced by 100 percent of the annuitant's adjusted social security disability benefit.

(c)(1) Except as otherwise provided in this part, the annuity under this subpart after the period described in paragraph (b)(1) of this section is equal to 40 percent of the annuitant's average pay.

(2) For months after the period described in paragraph (b)(1) of this section for which the annuitant is also entitled to a social security disability benefit, the amount computed under paragraph (c)(1) of this section is reduced by 60 percent of the annuitant's adjusted social security disability benefit.

(d) For months in which an annuity is reduced under paragraph (b) or (c) of this section, any reduction for survivor benefits is made after the reduction for social security benefits.

§ 844.303 Minimum disability annuity.

Notwithstanding any other provision of this part, an annuity payable under this part cannot be less than the amount of an annuity computed under 5 U.S.C. 8415 (excluding subsection (f) of that section) based on the annuitant's service.

§ 844.304 Computation of disability annuity for those otherwise eligible to retire.

(a) An individual retiring under this part is not entitled to elect to receive an alternative form of annuity under 5 U.S.C. 8420a, even if the individual meets the requirements for retirement under another part and would be entitled to elect an alternative form of annuity in connection therewith.

(b) Notwithstanding any other provision of this part, an annuity payable under this part will be computed under 5 U.S.C. 8415 if it commences or is reinstated under § 844.405 (b) or (c) of this part on or after:

(1) The annuitant has satisfied the age and service requirements for retirement under 5 U.S.C. 8412 (a) through (f); or

(2) The annuitant has reached age 62.

§ 844.305 Redetermination of disability annuity at age 62.

Effective on and after the annuitant's 62nd birthday, the rate of annuity payable to a disability annuitant will be the amount of an annuity computed with respect to the annuitant under 5 U.S.C. 8415 (including subsection (g) of that section), including credit for all periods before the annuitant's 62nd birthday during which he or she was entitled to an annuity under this part. The average pay used in computing the annuity under 5 U.S.C. 8415 is adjusted by all cost-of-living increases effective under 5 U.S.C. 8462(b) during the period the annuitant was receiving the disability annuity under this part.

Subpart D—Termination and Reinstatement of Disability Annuity

§ 844.401 Recovery from disability.

(a) Each annuitant receiving disability annuity from the Fund shall be examined under the direction of OPM at the end of one year from the date of disability retirement and annually thereafter until the annuitant becomes 60 years of age unless the disability is found by OPM to be permanent in character. OPM may order a medical or other examination at any time to determine the facts relative to the nature and degree of disability of the annuitant. Failure to submit to reexamination shall result in suspension of annuity.

(b) A disability annuitant may request medical reevaluation under the provisions of this section at any time. OPM may reevaluate the medical condition of disability annuitants age 60 or over only on their own request.

(c) *Recovery based on medical or other documentation.* When OPM determines on the basis of medical documentation or other evidence that a disability annuitant has recovered from the disability, OPM will terminate the annuity effective on the first day of the month beginning 1 year after the date of the medical documentation or other evidence showing recovery. If an agency reemploys a disability annuitant who has been found recovered at any grade or rate of pay within the 1-year period pending termination of the disability annuity under this paragraph, OPM will terminate the annuity effective on the date of reemployment.

(d) *Recovery based on reemployment by the Federal Government.* Reemployment by an agency at any time before age 60 is evidence of recovery if the reemployment is under an appointment not limited to a year or less, at the same or higher grade or pay level as the position from which the disability annuitant retired. The new position must be full-time unless the position the disability annuitant occupied immediately before retirement was less than full-time, in which case the new position must have a work schedule of no less time than that of the position from which the disability annuitant retired. In this instance, OPM needs no

medical documentation to find the annuitant recovered. Disability annuity payments will terminate effective on the first day of the month following the month in which the recovery finding is made under this paragraph.

§ 844.402 Restoration of earning capacity.

(a) *Earning capacity determinations.* If a disability annuitant is under age 60 on December 31 of any calendar year and his or her income from wages or self-employment or both during that calendar year equals at least 80 percent of the current rate of basic pay of the position occupied immediately before retirement, the annuitant's earning capacity is considered to be restored. The disability annuity will terminate on the June 30 after the end of the calendar year in which earning capacity is restored.

(b) *Current rate of basic pay for the position occupied immediately before retirement.* (1) A disability annuitant's income for a calendar year is compared to the gross annual rate of basic pay in effect on December 31 of that year for the position occupied immediately before retirement. The income limitation for most disability annuitants is based on the rate for the grade and step that reflects the total amount of basic pay (both the grade and step and any additional basic pay) in effect on the date of separation from the agency for disability retirement. Additional basic pay is included subject to the premium pay restrictions of 5 U.S.C. 5545 (c)(1) and (c)(2).

(2) In the case of an annuitant whose basic pay rate on the date determined under paragraph (b)(1) of this section did not match a specific grade and step in the pay schedule:

(i) For those retiring from a Senior Executive Service position, a merit pay position, a position for which a special pay rate is authorized (except as provided in paragraph (b)(2)(ii) of this section), or any other position in which the rate of basic pay is not equal to a grade and step in a pay schedule, the grade and step will be established for this purpose at the lowest step in the pay schedule grade that is equal to or greater than the actual rate of basic pay payable.

(ii) For those retiring with a retained rate of basic pay or from a position for which a special pay rate is in effect but whose rate of basic pay exceeds the highest rate payable in the pay schedule grade applicable to the position held, the grade is established for this purpose at the highest grade in the schedule that is closest to the grade of the position held and within which the amount of the retained pay falls. The step is established for this purpose at the lowest step in that grade that equals or exceeds the actual rate of pay payable.

(3) For annuitants retiring from the United States Postal Service, only cost-of-living allowances subject to FERS deductions are included in determining the current rate of basic pay of the position held at retirement.

(c) *Income.* (1) Earning capacity for the purposes of this section is demonstrated by an annuitant's ability to earn post-retirement income in exchange for personal services or a work product, or as a profit from one or more businesses wholly or partly owned by the disability annuitant and in the management of which the annuitant has an active role. Income for the purposes of this section is not necessarily the same as income for the purposes of the Internal Revenue Code.

(2) Income earned from one source is not offset by losses from another source. Income earned as wages is not reduced by a net loss from self-employment. The net income from each self-employment endeavor is calculated separately, and the income earned as net earnings from one self-employment endeavor is not reduced by a net loss from another self-employment endeavor. Thus, a net loss from one endeavor is considered to be a net income of zero, and the net incomes from each separate self-employment endeavor are added together to determine the total amount of income from self-employment for a calendar year.

(3) Income is counted in the calendar year in which it is earned, even though receipt may be deferred.

(d) *Requirement to report income.* All disability annuitants who, on December 31 of any calendar year, are under age 60 must report to OPM their income from wages or self-employment

or both for that calendar year. Each year as early as possible, OPM will send a form to annuitants to use in reporting their income from the previous calendar year. The form specifies the date by which OPM must receive the report. OPM will determine entitlement to continued annuity on the basis of the report. If an annuitant fails to submit the report, OPM may stop annuity payments until it receives the report.

§ 844.403 Annuity rights after a disability annuity terminates.

(a) When a disability annuity is terminated because of recovery or restoration of earning capacity and the individual is not employed in the Government, the individual is entitled to an annuity:

(1) Under 5 U.S.C. 8414(b) if the individual:

(i) Is at least age 50 when the disability annuity ceases and had 20 or more years of service at the time of retiring for disability; or

(ii) Has 25 or more years of service at the time of retiring for disability, regardless of age; or

(2) Under 5 U.S.C. 8412(g) if the individual is at least the minimum retirement age applicable under 5 U.S.C. 8412(h) when the disability annuity ceases and had 10 or more years of service at the time of retiring for disability.

(b) When a disability annuitant whose annuity was terminated because of Federal reemployment is separated and meets the age and service requirements for immediate retirement under 5 U.S.C. 8412 or 8414, the individual is entitled to an annuity computed under 5 U.S.C. 8415.

[55 FR 6598, Feb. 26, 1990. Redesignated at 58 FR 48273, Sept. 15, 1993]

§ 844.404 Reinstatement of disability annuity.

(a) When a disability annuity stops, the individual must again prove that he or she meets the eligibility requirements in order to have the annuity reinstated.

(b) *Reinstatement of annuity terminated based on recovery.* (1) When a recovered disability annuitant under age 62 whose annuity was terminated because

he or she was found recovered on the basis of medical evidence (§ 844.401) is not reemployed in a position subject to FERS, and, based on the results of a current medical examination, OPM finds that the disability has recurred, OPM will reinstate the disability annuity as provided in paragraph (d) of this section. The right to the reinstated annuity begins on the date of the medical documentation showing that the disability has recurred, or if the medical documentation clearly shows that the disability recurred on an earlier date, the annuity will be reinstated on that earlier date.

(2) Except in the case of an individual receiving an annuity under § 844.404(b), OPM will, as provided in paragraph (d) of this section, reinstate the disability annuity of a former annuitant whose annuity was terminated because he or she was found recovered on the basis of Federal reemployment when:

(i) The results of a current medical examination show that the individual's medical condition has worsened since the finding of recovery and that the original disability on which retirement was based has recurred; and

(ii) As a result, he or she has been:

(A) Separated and not reemployed in a position subject to FERS; or

(B) Placed in a position that results in a reduction in grade or pay below that from which the individual retired, or in a change to a temporary or intermittent appointment. The right to the reinstated annuity begins on the date the reemployment ends or the effective date of the placement in the position that results in a reduction in grade or pay or change in appointment.

(c) *Reinstatement of annuity terminated because earning capacity was restored.* (1) OPM will reinstate the disability annuity as provided in paragraph (d) of this section when a disability annuitant whose annuity was terminated under § 844.402(a):

(i) Is not reemployed in a position subject to FERS;

(ii) Has not recovered from the disability for which the individual retired (except in the case of a military reserve technician whose annuity was awarded under 5 U.S.C. 8456); and

(iii) Again loses earning capacity, as determined by OPM.

(2) The reinstated annuity is payable from January 1 of the year following the calendar year in which earning capacity was lost. Earning capacity is lost if, during any calendar year, the individual's income from wages or self-employment or both is less than 80 percent of the current rate of basic pay of the position held at retirement.

(d) Except as provided in §§ 844.303 and 844.304, a disability annuity reinstated under the preceding paragraphs of this section is paid at the rate provided under § 844.302(b) until the end of the 12th month beginning after the annuity is reinstated. Thereafter, the rate determined under § 844.302(c) is payable until age 62.

(e) Notwithstanding the preceding paragraphs, an annuity may not be reinstated under this section if the individual is receiving an annuity under part 842 of this chapter.

[55 FR 6598, Feb. 26, 1990. Redesignated and amended at 58 FR 48273, Sept. 15, 1993]

PART 845—FEDERAL EMPLOYEES RETIREMENT SYSTEM—DEBT COLLECTION

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AUTHORITY: 5 U.S.C. 8461.

SOURCE: 52 FR 5931, Feb. 27, 1987, and 52 FR 23014, June 17, 1987, unless otherwise noted.

Subpart A—General Provisions

§ 845.101 Purpose.

- (a) This part regulates—
- (1) The recovery of overpayments of FERS basic benefits;
 - (2) The standards for waiver of recovery of overpayments of FERS basic benefits; and
 - (3) The use of FERS basic benefits to recover debts due the United States.
- (b) This subpart states the rules of general applicability to this part.

§ 845.102 Definitions.

In this subpart—
FERS means the Federal Employees Retirement System as described in chapter 84 of title 5, United States Code.

FERS basic benefits means any benefits payable under subchapter II, IV, or V of chapter 84 of title 5, United States Code.

Fund means the Civil Service Retirement Fund.

§ 845.103 Prohibition against collection of debts.

- (a) Debts may be collected from FERS basic benefits only to the extent expressly authorized by Federal statute.
- (b) When collection of a debt from FERS basic benefits is authorized under paragraph (a) of this section, the collection will be made in accordance with this part.