

PART 850—RETIREMENT SYSTEMS MODERNIZATION

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Subpart A—General Provisions

§ 850.101 Purpose and scope.

(a) The purpose of this part is to enable changes needed for implementation of the new retirement and insurance processing system created by the Office of Personnel Management's (OPM's) Retirement Systems Modernization (RSM) initiative. RSM is OPM's strategic initiative to improve the quality and timeliness of services to employees and annuitants covered by the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS) by using contemporary, automated business processes and supporting technology. The RSM initiative is designed to transform the retirement process, as

well as the processing of annuitant insurance elections of Federal Employees' Group Life Insurance (FEGLI), Federal Employees Health Benefits Program (FEHB), and Retired Federal Employees Health Benefits Program (RFEHB) coverage, by employing more efficient and effective business systems to respond to increased customer demand for higher levels of customer service and online self-service tools.

(b) The provisions of this part authorize exceptions from regulatory provisions that would otherwise apply to CSRS and FERS annuities and FEGLI, FEHB and RFEHB benefits processed by or at the direction of OPM under the RSM initiative. Those regulatory provisions that would otherwise apply were established for a paper-based retirement and insurance benefits processing system that may eventually be phased out but which will continue to operate concurrently with RSM for some time, until RSM is fully implemented. During the phased transition to RSM processing, certain regulations that were not designed with RSM in mind, and which are incompatible with RSM business processes, must be set aside with respect to aspects of retirement and insurance processing accomplished under RSM. The regulations set forth in this part make the transition to RSM processes possible.

(c) The provisions of this part do not affect retirement and insurance eligibility and annuity computation provisions. The provisions for capturing retirement and insurance data in an electronic format, however, may support, in some instances, more precise calculations of annuity and insurance benefits than were possible using paper records.

§ 850.102 Applicability.

(a) The provisions of parts 831, 835, 837 through 839, 841 through 847, 870, 890, and 891 of this chapter remain in effect, as applicable, except to the extent that they are inconsistent with one or more provisions of this part or implementing directives prescribed by the Director under § 850.104.

(b) The provisions of this part do not supersede or alter any functions performed by a private insurance company or carrier with which OPM has entered

into a contract, or with which OPM may enter into a contract in the future, under chapter 87 or 89 of title 5, United States Code, or under any other provision of law or regulation.

§ 850.103 Definitions.

In this part—

Agency means an Executive agency as defined in section 105 of title 5, United States Code; a legislative branch agency; a judicial branch agency; the U.S. Postal Service; the Postal Regulatory Commission; and the District of Columbia government.

Biometrics refers to the technology that converts a unique characteristic of an individual into a digital form, which is then interpreted by a computer and compared with a digital exemplar copy of the characteristic stored in the computer. Among the unique characteristics of an individual that can be converted into a digital form are voice patterns, fingerprints, and the blood vessel patterns present on the retina of one or both eyes.

Cryptographic control method means an approach to authenticating identity or the authenticity of an electronic document through the use of a cipher (i.e., a pair of algorithms) which performs encryption and decryption.

CSRS means the Civil Service Retirement System established under subchapter III of chapter 83 of title 5, United States Code.

Digital signature is an electronic signature generated by means of an algorithm that ensures that the identity of the signatory and the integrity of the data can be verified. A value, referred to as the “private key,” is generated to produce the signature, and another value, known as the “public key,” which is linked to, but not the same as, the private key, is used to verify the signature.

Digitized signature means a graphical image of a handwritten signature, usually created using a special computer input device, such as a digital pen and pad, which contains unique biometric data associated with the creation of each stroke of the signature, such as duration of stroke or pen pressure. A digitized signature can be verified by a comparison with the characteristics

and biometric data of a known or exemplar signature image.

Director means the Director of the Office of Personnel Management.

Electronic communication refers to any information conveyed through electronic means and includes electronic forms, applications, elections, and requests submitted by email or any other electronic message.

Electronic Official Personnel Record Folder (e-OPF) means the electronic Official Personnel Folder application that will replace the current paper personnel folder across the Government.

Electronic retirement and insurance processing system means the new retirement and insurance processing system created by OPM’s Retirement Systems Modernization (RSM) initiative.

Employee means an individual, other than a Member of Congress, who is covered by CSRS or FERS.

Enterprise Human Resources Integration (EHRI) means the comprehensive electronic personnel record-keeping and analysis system that supports human resources management across the Federal Government.

FEGLI means the Federal Employees’ Group Life Insurance Program established under chapter 87 of title 5, United States Code.

FEHB means the Federal Employees Health Benefits Program established under chapter 89 of title 5, United States Code.

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

Member means a Member of Congress as defined by section 2106 of title 5, United States Code, who is covered by CSRS or FERS.

Non-cryptographic method is an approach to authenticating identity that relies solely on an identification and authentication mechanism that must be linked to a specific software platform for each application.

Personal identification number (PIN) or password means a non-cryptographic method of authenticating the identity of a user of an electronic application, involving the use of an identifier

known only to the user and to the electronic system, which checks the identifier against data in a database to authenticate the user's identity.

Public/private key (asymmetric) cryptography is a method of creating a unique mark, known as a digital signature, on an electronic document or file. This method involves the use of two computer-generated, mathematically-linked keys: a private signing key that is kept private and a public validation key that is available to the public.

RFEHB means the Retired Federal Employees Health Benefits Program established under Pub. L. 86-724, 74 Stat. 849, 851-52 (September 8, 1960), as amended.

Shared service centers are processing centers delivering a broad array of administrative services to multiple agencies.

Shared symmetric key cryptography means a method of authentication in which a single key is used to sign and verify an electronic document. The single key (also known as a "private key") is known only by the user and the recipient or recipients of the electronic document.

Smart card means a plastic card, typically the size of a credit card, containing an embedded integrated circuit or "chip" that can generate, store, or process data. A smart card can be used to facilitate various authentication technologies that may be embedded on the same card.

§ 850.104 Implementing directives.

The Director must prescribe, in the form he or she deems appropriate, such detailed procedures as the Director determines to be necessary to carry out the purpose of this part.

§ 850.105 Agency responsibility.

Agencies employing individuals whose retirement records or processing are affected by this part are responsible for counseling those individuals regarding their rights and benefits under CSRS, FERS, FEGLI, FEHB, or RFEHB.

§ 850.106 Electronic signatures.

(a) Subject to any provisions prescribed by the Director under § 850.104—

(1) An electronic communication may be deemed to satisfy any statutory or regulatory requirement under CSRS, FERS, FEGLI, FEHB or RFEHB for a written election, notice, application, consent, request, or specific form format;

(2) An electronic signature of an electronic communication may be deemed to satisfy any statutory or regulatory requirement under CSRS, FERS, FEGLI, FEHB or RFEHB that an individual submit a signed writing to OPM;

(3) An electronic signature of a witness to an electronic signature may be deemed to satisfy any statutory or regulatory requirement under CSRS, FERS, FEGLI, FEHB or RFEHB for a signature to be witnessed; and

(4) Any statutory or regulatory requirement under CSRS, FERS, FEGLI, FEHB or RFEHB that a signature be notarized may be satisfied if the electronic signature of the person authorized to sign is attached to or logically associated with all other information and records required to be included by the applicable statute or regulation.

(b) For purposes of this section, an electronic signature is a method of signing an electronic communication, including an application, claim, or notice, designation of beneficiary, or assignment that—

(1) Identifies and authenticates a particular person as the source of the electronic communication; and

(2) Indicates such person's approval of the information contained in the electronic communication.

(c) The Director will issue directives under § 850.104 that identify the acceptable methods of effecting electronic signatures for particular purposes under this part. Acceptable methods of creating an electronic signature may include—

(1) Non-cryptographic methods, including—

(i) Personal Identification Number (PIN) or password;

(ii) Smart card;

(iii) Digitized signature; or

(iv) Biometrics, such as fingerprints, retinal patterns, and voice recognition;

(2) Cryptographic control methods, including—

(i) Shared symmetric key cryptography;

(ii) Public/private key (asymmetric) cryptography, also known as digital signatures;

(3) Any combination of methods described in paragraphs (c)(1) and (c)(2) of this section; or

(4) Such other means as the Director may find appropriate.

Subpart B—Applications for Benefits; Elections

§ 850.201 Applications for benefits.

(a)(1) Applications and related submissions that otherwise would be required by this chapter to be made in writing may instead be submitted in such form as the Director prescribes under § 850.104.

(2) Subject to any directives prescribed by the Director under § 850.104, applications and related submissions that are otherwise required to be made to an individual's employing agency (other than by statute) may instead be submitted to the electronic retirement and insurance processing system or to OPM.

(b) Data provided under subpart C of this part are the basis for adjudicating claims for CSRS and FERS retirement benefits, and will support the administration of FEGLI, FEHB and RFEHB coverage for annuitants, under this part.

(c) For the purposes of this subpart, "OPM notice" means the notice informing the retiree or other individual of the annuity computation rate and of the elections made by the retiree or other such individual eligible to make such an election and informing him or her of the time limit under § 850.202 or 850.203 for any election, revocation or change of election.

§ 850.202 Survivor elections.

(a) A survivor election under subsection (j) or (k) of section 8339, or under section 8416, 8417, or 8420 of title 5, United States Code, which is otherwise required to be in writing may be effected in such form as the Director prescribes under § 850.104.

(b)(1) Except as provided in §§ 831.622(b)(1), 831.631, 831.632, 842.610(b)(1), 842.611, and 842.612 of this chapter, an individual making a survivor election at the time of retire-

ment may not revoke or change that election later than 35 days after the date of the OPM notice to the individual of the amount of annuity to which he or she is entitled.

(2) A retiree may change a survivor election under § 831.622(b)(1) or § 842.610(b)(1) of this chapter no later than 18 months after the commencing date of the annuity to which he or she is entitled.

§ 850.203 Other elections.

(a) Any other election may be effected in such form as the Director prescribes under § 850.104. Such elections include but are not limited to—

(1) Elections of coverage under CSRS, FERS, FEGLI, FEHB or RFEHB by individuals entitled to elect such coverage;

(2) Applications for service credit and applications to make deposit; and

(3) Elections regarding the withholding of State income tax from annuity payments.

(b) Any election, which, if it were not processed under this part, would have a deadline described in reference to the first regular monthly payment or the date of final adjudication, may not be made later than 35 days after the date of the OPM notice to the individual concerned of the amount of annuity to which he or she is entitled.

Subpart C—Records

§ 850.301 Electronic records; other acceptable records.

(a) Acceptable electronic records for processing by the electronic retirement and insurance processing system include—

(1) Electronic employee data submitted by an agency or other entity through EHRI and stored within the new retirement and insurance processing system;

(2) Electronic Official Personnel Folder (e-OPF) data; and

(3) Documents, including hardcopy versions of the Individual Retirement Record (SF 2806 or SF 3100), or data obtained from such documents, that are converted to an electronic or digital form by means of image scanning or other forms of electronic or digital conversion.

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(b) Documents that are not converted to an electronic or digital form will continue to be acceptable records for processing by the retirement and insurance processing system.

(c) OPM is required to retain documents after they have been converted to electronic records in accordance with title 44, United States Code.

§ 850.302 Record maintenance.

(a) The retirement and insurance processing system does not affect the responsibilities of an agency with respect to employees or Members of Congress subject to subchapter III of chapter 83 or chapter 84 of title 5, United States Code, for the initiation and maintenance of records, evidence, or other information described in this title.

(b) Agencies are responsible for correcting errors in data provided to OPM under § 850.301.

§ 850.303 Return of personal documents.

An individual who submits personal documents to OPM in support of a claim for retirement or insurance benefits may have such documents returned to the individual if he or she requests the return of the documents when submitting the documents. If OPM receives a request for return of such documents at a later time, OPM may provide the individual with a copy of the document that is derived from electronic records.

Subpart D—Submission of Law Enforcement, Firefighter, and Nuclear Materials Courier Retirement Coverage Notices

§ 850.401 Electronic notice of coverage determination.

(a) An agency or other entity that submits electronic employee records directly or through a shared service center to the electronic retirement and insurance processing system must include in the notice of law enforcement officer, firefighter, or nuclear materials retirement coverage, required by § 831.811(a), 831.911(a), 842.808(a), or 842.910(a) of this chapter, the position description number, or other unique alphanumeric identifier, of the position

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for which law enforcement officer, firefighter, or nuclear materials courier retirement coverage has been approved.

(b) The Director will issue directives under § 850.104 that identify the acceptable methods for an agency or other entity to submit to OPM electronic files of both the notice required by § 831.811(a), 831.911(a), 842.808(a), or 842.910(a) of this chapter, and the coverage determination files and background material required under § 831.811(b), 831.911(b), 842.808(b), or 842.910(b) of this chapter, associated with the positions included in the notice.

PART 870—FEDERAL EMPLOYEES' GROUP LIFE INSURANCE PROGRAM

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