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OFFICE OF THE SECRETARY

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SUBJECT: Reemployment of Foreign Service Annuitants

DATE: JUL 11 1991

If a Foreign Service (FS) annuitant is hired, the law and regulations governing the person's reemployment are different from those followed when hiring Civil Service Retirement System or Federal Employees Retirement System annuitants. The attached memorandum written by the Department of State explains the effect of reemployment on the FS annuitant's annuity and provides processing instructions. **This DPM Letter should be brought to the attention of staff members in the staffing/employment, benefits, and personnel action processing areas.**

It is important that the Department of State Retirement Division be called as soon as it is known that an FS annuitant will be hired in the organization. The telephone number is in the previously mentioned memorandum. Also, the Retirement Division should be called for answers to any technical questions about the reemployment of an FS annuitant.

Contact Terry Smith, the Department's Retirement Counselor, if there are any questions about this DPM Letter. Terry can be reached on FTS 366-4140 or Commercial (202) 366-4140



Director of Personnel

Attachment

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United States Department of State  
Washington, D. C. 20520

June 12, 1991

MEMORANDUM FOR ALL RETIREMENT COUNSELORS

FROM: Daniel Webber *DW*  
Chief, Retirement Division  
Department of State

SUBJECT: Reemployment of Foreign Service Annuitants

As you know, the Retirement Division of the Department of State administers the Foreign Service Retirement and Disability System (FSRDS) and the Foreign Service Pension System (FSPS).

This is to remind you that the law and regulations which govern reemployment of Foreign Service annuitants in Civil Service positions are different than those which govern reemployment of Civil Service annuitants in Civil Service positions. A Foreign Service annuitant may have retired from the Foreign Service of the Department of State, the Agency for International Development, USIA, the Department of Agriculture, the Department of Commerce or the Peace Corps. A Foreign Service annuitant will have retired with coverage under a retirement withholding code of 3, G, P or W.

Effect of Reemployment on Foreign Service Annuity

A) If the FS annuitant is reemployed under a part-time, temporary (non-career) or intermittent (WAE) appointment, the employee is entitled to a full (unreduced) rate of pay, provided the sum of the annuity and salary received after retirement does not exceed a ceiling on total compensation (explained by the attached statement the Department provides all FS annuitants).

B) If the FS annuitant is reemployed under a full-time career appointment, payment of the annuity terminates upon reemployment.

Remark Necessary on Notification of Personnel Action (SF 50)

"Reemployed Foreign Service Annuitant. Retired under the Foreign Service Retirement and Disability System (Foreign Service Pension System) on (specify date). Salary at time of retirement was (specify salary). Receipt of annuity is subject to limitations provided in Section 824 of the Foreign Service Act of 1980, as amended.

If you reemploy an annuitant who has retired under the FSRDS or the FSPS, or have any questions about the reemployment of FS annuitants, please contact the Retirement Division of the Department of State immediately at (202) 647-9300.

Attachment: a/s



United States Department of State

Washington, D.C. 20520

Financial Operations  
P.O. Box 9487  
Arlington VA 22209

NOTICE

TO : FOREIGN SERVICE EMPLOYEE ANNUITANTS

SUBJECT: Salary/Annuity Limitation Effect on Reemployment in  
the Federal Government

Foreign Service employee annuitants who are reemployed in any Federal Government position may be subject to a reduction or termination of their annuity.

Effective January 1, 1987, Section 824 of the Foreign Service Act of 1980 was amended: (1) to suspend payment of an FSRDS annuity during the period when an annuitant is reemployed in a Government appointive or elective position on a full-time basis; and (2) to allow an annuitant the option, when reemployed on a part-time, intermittent, or temporary basis, to receive annuity so long as the annual base earnings and annuity received do not exceed in any calendar year the greater of either (a) the full-time annual basic pay of the reemployed position, or (b) the basic pay of the annuitant at time of retirement from the service.

In the event you are reemployed on a part-time, intermittent, or temporary basis, you must notify the Retirement Division, PER/ER/RET Room 1251, Washington DC 20520 and make an election to preclude the termination of your annuity when notification is received of your reemployment. If you elect to continue your annuity, you are entitled to the salary of the position in which reemployed plus so much of your annuity which does not exceed, in any calendar year, the full-time basic pay of the reemployed position or your basic pay at time of retirement, whichever is greater. Upon termination of reemployment, payment of your annuity in full resumes.

If reemployed on a full-time basis, payment of annuity is suspended and the reemployment service is covered service under the rules of the retirement system under which the appointment is made. If the reemployed annuitant becomes covered under the same retirement system from which the annuity is suspended (Foreign Service Retirement & Disability System), the annuity will be redetermined upon termination of the reemployment. If the reemployed annuitant becomes covered by another contributory retirement system for Government employees, the annuitant shall be entitled to benefits under the rules of that system. In addition, the annuitant shall be entitled to the resumption of payment of the annuity suspended by reason of the reemployment.

While the Foreign Service Act and Table 8, FPM Supplement 296-33, require that the employer of a reemployed Foreign Service annuitant advise the Department of State, Retirement Division, of the reemployment by furnishing copies of the personnel actions relating to the reemployment, annuitants themselves are urged to also advise the Retirement Division of their reemployment. Annuitants are reminded that reemployment can have an effect on their health and life insurance premiums.

The Act provides that any annuity overpayment is to be recovered from any salary or annuity due the Foreign Service annuitant.

Information and queries regarding salary/annuity limitation status should be directed to the following address:

Retirement Accounts Division  
Office of Compensation & Pension  
US Department of State  
P.O. Box 9487  
Arlington VA 22209  
TEL: (703) 875-7110  
FTS 398-7110

Acknowledge receipt of this Notice as provided below and retain a copy for guidance.

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ACKNOWLEDGMENT

I hereby acknowledge receipt and understanding of the above.

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Signature

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Date

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Printed Last Name