

Contract Administration Unit

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Retirement processing issues

The Office of Personnel Management (OPM) administers the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). OPM is the federal agency that has authority to decide all matters regarding CSRS and FERS retirements. OPM determines whether a letter carrier is eligible to retire, how much the carrier will receive in retirement, and deals with a host of related issues. OPM has its own internal appeals system that is available when a retiree believes an OPM decision is wrong. Since OPM is a separate federal agency and not a party to the collective-bargaining agreement between the USPS and NALC, no decision, action or lack of action by OPM can be challenged using the grievance procedure.

However, OPM requires employees to apply for retirement through their own federal agency, including the Postal Service. Likewise, OPM requires the Postal Service to process the retirement applications of employees. The OPM regulations regarding the processing of retirement applications of employees by agencies are complex. Many of those regulations are explained in OPM's *CSRS-FERS Handbook*, which is available online at opm.gov.

The regulations pertaining to retirement within the Postal Service are found in the *Employee and Labor Relations Manual (ELM)*. Section 560 of the *ELM* explains the process for employees covered under CSRS, while Section 580 describes the rules for those covered by FERS. These sections of the *ELM* reflect many of OPM's regulations regarding retirement applications. If there is an apparent conflict between OPM regulations or policies and the Postal Service *ELM* provisions regarding the processing of retirement applications, OPM's regulations control. Section 581.2 of the *ELM* states:

OPM administers the basic portion of FERS. The FERS laws, policies, and regulations issued by OPM, including those governing employee eligibility and benefits, are controlling in the event of conflict with the information contained in this subchapter.

Article 21, Section 3 of the National Agreement incorporates the provisions of CSRS under 5 United States Code (USC) 83 and FERS under 5 USC 84. It follows that Postal Service violations of OPM regulations, *ELM* provisions, Step 4 settlements, etc., regarding retirement processing issues can be addressed through the grievance-

arbitration procedure, provided the grievant is a current employee at the time of filing¹.

One retirement application processing issue seems to be widespread. It has to do with the Certified Summary of Federal Service (CSoFS) form. For FERS employees, it is Standard Form 3107-1, and for CSRS employees it is SF 2801-1. The CSoFS is the form that agencies use to certify to OPM the dates of the retiring employee's creditable service, which includes career service and may also include creditable non-career, military and part-time service, etc. This is a critical form, because both an employee's eligibility to retire, as well as the amount of their annuity, are based on the total years and months of service.

Here is what OPM's *CSRS FERS Handbook*, Section 40A3.1-1B says about the form:

B. CSRS Forms To Be Completed by Agency

The personnel office must:

Prepare a Certified Summary of Federal Service (SF 2801-1) that lists the employee's verified Federal civilian and military service.

NOTE: The employee should review and sign the Certified Summary of Federal Service. However, if the employee is unable to sign the Certified Summary, the agency may submit the form to OPM without the employee's signature.

Section 40A3.1-1.D goes on to clarify that CSoFS for FERS employees uses a different form number.

D. FERS Forms To Be Completed by Agency

The forms to be completed by the personnel office in the case of a FERS employee are the same as those used for a CSRS employee (see paragraph B), with the following exceptions:

The Certified Summary of Federal Service is SF 3107-1;

The instructions on the form itself are also clear. The first set of instructions on the form pertains to information for the agency. Item No. 1 requires a certified copy of the form to accompany the employee's application for retirement. The second set of instructions is to be completed by the employee. The instructions state:

1. Your employing office will complete and certify this form for you.
2. Review this form carefully. Be sure it contains all of your service.

¹ As a general matter, non-employees, including retirees, do not have standing to initiate grievances. A major exception to this general rule is Memorandum of Understanding Re: Debts of Retired Employees found on page 217 of the National Agreement.

3. Complete Section E, Employee’s Certification, and return the form to your employing office.

Section D of the form includes a line for a signature by an official from the employing agency certifying that the service history information on the form accurately reflects official agency personnel and/or payroll records. Section E of the form is titled “Employee’s Certification” and includes a line for the employee’s signature.

The service histories of most employees are relatively straightforward, with a beginning date of career service through the anticipated retirement date. But other employees may have made a deposit for military or non-career civilian service; accumulated more than six months of leave without pay (LWOP) in a calendar year; or have more than two months of aggregate LWOP due to an accepted on-the-job injury. These scenarios make reviewing and certifying the service history even more important as they are more prone to error and are vital in making fully informed retirement decisions.

Despite the clear guidance and form instructions, the Postal Service retirement counselors at the Human Resources Shared Service Center (HRSSC) routinely provide blank forms to retiring employees, without any service history information. Some retiring employees have been told that they should sign the blank form and that the form would be filled out later by the Postal Service. No employee can reasonably be required to sign a document certifying that the information provided by the Postal Service on the document is accurate when there is no information provided on the document. Employees who do not trust the Postal Service to certify the correct service should request the form be completed so that it can be reviewed in accordance with the instructions provided by OPM. Those who choose to submit a blank form can do so, without a signature, and it should not delay your retirement.

Insistence by HRSSC counselors that retiring employees sign a blank CSoFS should be challenged, through the grievance procedure, if necessary, as this is contrary to the provisions set forth by OPM.

Employees who are denied a completed form can consider asking their shop steward to investigate (remember that any grievance must be initiated prior to separation) and then submit the application with the blank, unsigned, CSoFS. Employees should not have to delay their retirement due to retirement-processing issues by the Postal Service.

The consideration of the proper remedy in such a case is very important. In addition to a cease-and-desist to protect future retirees, an important remedy to include during a retirement processing grievance is compelling the Postal Service to re-certify to OPM the employee’s service history, if it did not do so correctly in the first place. This is because OPM will rely solely on the service history provided by the Postal Service. It generally will not consider employee statements and documentation. The best way to fix such a situation is to have the Postal Service re-certify the correct service history.

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This can become complicated as the grievance would be filed prior to the employee’s separation, but if the Postal Service initially refused to complete the CSoFS and the employee retired without it, the Postal Service doesn’t complete the form until a later date, post-separation. This creates a situation where the CSoFS cannot be reviewed when a grievance is initiated. A mutual agreement to extend the time limits of the grievance, such that the CSoFS can be properly reviewed for accuracy, can be an efficient method to either correct the issue or to ensure that the proper remedy is included. Grievances that are advanced to the next step prior to review of the CSoFS should be sure to include a remedy that provides for re-certification of the form as necessary.

Retirement is a critical benefit that letter carriers have earned through their years, if not decades, of service. Mistakes by the Postal Service when processing retirement forms have a substantial financial impact on retirees. Shop stewards and branch officers play an important role in ensuring that letter carriers are provided with the benefits to which retiring employees are entitled under the law.