



Retirement, Part IV— FERS disability retirement

Disability retirements under the Federal Employees Retirement System (FERS) are based upon the worker’s inability to perform the duties of their position. This article will look at FERS disability.

FERS—You must have completed at least 18 months of federal *civilian service* that is creditable under FERS. You must, while employed in a position subject to the retirement system, have become disabled, because of disease or injury, for useful and efficient service in your current position, and the disability must be expected to last at least one year.

Your agency must certify that it is unable to accommodate your disabling condition in your present position and has considered you for any vacant position in the same agency at the same grade or pay level, within the same commuting area, for which you are qualified for reassignment.

You, or your guardian/interested person, must apply before your separation from service or within one year thereafter. The application must be received by either OPM or your former employing agency within one year of the date of your separation. This time limit can be waived only if you were mentally incompetent on the date of separation or within one year of this date.

Social Security—You must also apply for Social Security disability benefits. If the application for Social Security disability benefits is withdrawn for any reason, OPM will dismiss the FERS disability retirement application upon notification by the Social Security Administration. The approval or disapproval for SS disability has no bearing on the FERS disability acceptance, but it will affect your FERS disability payments if you also receive SS disability.

Disability payments—Under FERS disability, the annuitant receives 60 percent of their “high-3 earnings” the first year of disability, less 100 percent of any benefits received from Social Security disability. The second and each year until age 62, the benefits drop to 40 percent of the high-3, less 60 percent of any SS disability payments.

Recomputation—At age 62, a person who is collecting FERS disability payments has their retirement annuity recalculated. This means that the disabled person would have their annuity recalculated to include service credit for the time since disability until age 62 for their annuity.

Example: Below is based on a FERS employee becoming disabled at age 50 with 25 years FERS employment and high-3 average of \$50,000 with Social Security disability of \$1,500 per month.

1st year = 60% of \$50,000 high-3 (less 100% of any Social Security receipts)

FERS	Social Security	FERS Offset	Net Amount
\$30,000	\$18,000	\$18,000	\$30,000
\$30,000	SS Disapproved	\$0	\$30,000

2nd Year until Age 62 = 40% of high-3 (less 60% of any Social Security receipts)

FERS	Social Security	FERS Offset	Net Amount
\$20,000	\$18,000	\$7,200	\$27,200
\$20,000	SS Disapproved	\$0	\$20,000

Age 62+ = Recalculated as if worked the 12 years of disability which would equate to 37 years total service = 37% of original high-3 (No SS offset)

FERS	Social Security	FERS Offset	Net Amount
\$18,500	\$18,000	\$0	\$36,500

Restored to earning capacity—A FERS disabled annuitant can return to outside employment with no effect on the disability annuity *unless* that employment income equals 80 percent of the current salary of the position they retired from. If the income exceeds this allowance, their disability annuity will be terminated. Social Security disability may be affected by earnings based on monthly earnings and length of employment (see ssa.gov).

Application for disability

If you have been separated from federal service for 31 days or fewer—Your employing agency will help you complete these forms and will forward the completed forms to OPM. However, it is your responsibility to obtain all of the information necessary for OPM to make a decision on your claim. This includes providing all of the required forms and documents.

If you have been separated from federal service for more than 31 days—Your application for disability retirement must be received by OPM within one year after the date of your separation; therefore, you should submit your application directly to OPM rather than to your agency. ✉