




UNITED STATES DEPARTMENT OF COMMERCE  
Chief Financial Officer and  
Assistant Secretary for Administration  
Washington, D.C. 20230

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MEMORANDUM FOR Principal Human Resources Managers

FROM: Kevin E. Mahoney   
Director for Human Resources Management and  
Deputy Chief Human Capital Officer

SUBJECT: Eight Guidelines for Improving Retirement Application Accuracy

In 2012, the Office of Personnel Management (OPM) instituted a retirement application quality assurance process. OPM's Retirement Operations branch identifies packages that are incomplete or contain errors and places them in a temporary hold status that delays final adjudication. Every month, OPM provides agencies with a report on the number of cases processed, the number of cases with errors, the number of total errors, and the sources of those errors. The results are also published on a public performance dashboard on the Internet (see: <http://www.opm.gov/about-us/budget-performance/strategic-plans/agency-audit-monthly-update.pdf>).

The Department of Commerce's (Department) Office of Human Resources Management (OHRM) has been working with OPM to identify straightforward practices that servicing human resources offices (SHROs) can use to improve their performance, as quantitatively measured by this screening process. Highlighted below are eight recommended best practices, which cover the most common problems found during OPM case review and screening. Actions by SHROs, in accordance with these recommended best practices, will have a dramatic impact on measured accuracy rates.

### 1. Processing Office Identification

When OPM receives and evaluates a retirement application package, it must be able to properly identify the package's source, which is also necessary for accurate reporting. One of the most common missing information elements is the "personnel office identifier" (POI), known also as the "submitting office number" (SON). This is a four-digit code that must be designated on Standard Form (SF)-3107, Application for Immediate Retirement (FERS), in Section A, Item 13 of the Agency Checklist of Immediate Retirement Procedures (Checklist); and on SF-2801, Application for Immediate Retirement (CSRS) in Section A, Item 12 of the Checklist. It is highly recommended that the SHROs pre-complete the appropriate agency address blocks under Section B, Federal Service, of these two forms so that it is clear to the application's screener, as well as to the legal administrative specialist adjudicator, which Federal agency is associated with the application. The address should include both the bureau name and the Department of Commerce below the bureau's name.

## **2. Spousal Consent to Survivor Election**

Under the retirement applications for both CSRS and FERS, there is a document – Spousal Consent to Survivor Election – which is a form used to acknowledge that a survivor annuity was waived or agreed to be reduced. A very common source of error is to have Part 2 (the spouse's signature) signed on a different calendar date compared to the Notary Public's signature under Part 3. This means that the Notary Public did not actually witness the signature, and OPM will disregard and then question this waiver or adjustment of survivor annuity rights. Retiring employees should therefore receive special counseling that their spouse must sign this consent form only in the physical presence of a Notary Public.

## **3. Agency Certification of Insurance Status (FEGLI)**

When an employee retires, the Federal Employee Group Life Insurance (FEGLI) program must be notified. This is accomplished by the completion of form SF-2821, Agency Certification of Insurance Status. The most common error is for this document to be missing from the application packet, or for signatures to be missing from the Personnel Records Certification under item 15 or from the Payroll Records Certification under item 16. It is recommended that both items be verified and signed by qualified individuals within the SHRO submitting the application. This will ensure that the form is complete before the package leaves the SHRO.

## **4. Continuation of Life Insurance Coverage**

Some employees decide to continue their FEGLI term life insurance coverage into retirement. Such individuals must complete form SF-2818, Continuation of Life Insurance as an Annuitant or Compensationeer. This form must be completed, and included in the retirement application package, even if the employee is only continuing Basic coverage. If this document is missing, it is unclear to the OPM legal administrative specialist whether the employee will continue any enrollment into retirement.

## **5. Military Service Documentation**

One of the more difficult aspects of assembling a complete and accurate retirement application is determining how to properly advise, counsel, and document military service for the purposes of civilian pension system rights. One general rule is that active duty military service, which is the basis for a Department of Defense (DOD) pension, is not creditable for a civil service pension. When such service time is accidentally double-credited, retirees may find themselves in a situation in which they must waive their military pension.

- One common exception, however, is Reserve or National Guard service that is the basis of a “non-regular” DOD pension (under 10 U.S.C. § 1223, et seq.). Such service time may be credited for the civilian pension by making a service deposit.
- Another common exception is for military service members who have less than 20 years of military service and did not retire from the military. These individuals can receive credit for this service within their civilian pension, but only if they make a service deposit.

One of the problems that OPM finds when reviewing retirement applications from the Department is incomplete documentation of military service, whether or not the employee is receiving a military pension from the DOD, and whether or not the military service was the basis for a regular military pension or a “non-regular” pension due to Reserve or National Guard service. To facilitate OPM review of applications that involve military service, Human Resources Specialists should include a complete and signed form OPM 1515, Military Service Deposit Election, as well as copies of all DD-214s, Certificate of Release or Discharge from Active Duty, as well as all military orders calling the individual to active duty. Other documents can be included as well, for example, form OPM 1514, Military Deposit Worksheet, and the service deposit application forms, SF-3108 for FERS employees, and SF-2803 for CSRS employees.

## **6. Agency Separation With an Unpaid Military Service Deposit**

Another common error in retirement processing for the Department is the submission of retirement applications to OPM that include military service time, but for which there is no recorded military service deposit that might be later forthcoming. This situation is currently compounded by the situation that form OPM 1515, Military Service Deposit Election, is often missing from the package, so it is unclear whether or not the employee has actually waived his or her right to make a deposit, or if a deposit is forthcoming but has not yet been completed by the National Finance Center (NFC). Although OPM’s CSRS/FERS Handbook suggests that applications may be forwarded to OPM with an uncompleted service deposit, Federal regulations (5 CFR § 831.2104 and 5 CFR § 842.307(a)(3)) actually state that an employee’s deposit for military service must be completed before separation from service (unless waived via form OPM 1515).

SHROs are advised to *not separate* such employees from service until notification is received from NFC that all pending military deposits are completed. If packages continue to be submitted to NFC that include incomplete military service deposits, NFC staff will continue to forward these incomplete packages to OPM, and the Department will continue to be assessed with screening error violations. In addition, the affected applicants will continue to receive an interim annuity for extended periods of time, since final case adjudications are suspended by OPM staff until the deposits are complete, and the documents submitted later.

Employees who do not complete their military deposits prior to their anticipated retirement effective date can choose to postpone their retirement until they meet this requirement, or request and receive approval for leave without pay until their military deposit is complete.

## **7. Agency Certifications of Five Years of Health and/or Life Insurance Participation**

If an employee wishes to continue health insurance and/or life insurance into retirement, the general rule is that he or she must have been continuously enrolled in the programs for the five years leading up to the retirement separation. Because SF-2809s, Employee Health Benefits Election Form and/or SF-2817, Life Insurance Election: FEGLI are typically missing from the retirement application, it is unclear to OPM if there is a consistent enrollment chain of record. It is a Department best practice that SHROs include a memorandum in each retirement package

that certifies to the appropriate OPM official that the employee does indeed satisfy this five-year prior coverage rule, for health and/or life insurance continued enrollment. The Department has created template certification letters for all SHROs, found online at: <http://hr.commerce.gov/Practitioners/BenefitsPolicies/index.htm>.

## **8. Agency Certification of Law Enforcement Officer or Firefighter Service**

Some positions with the Department are eligible for special retirement systems, with different eligibility rules and pension benefit formulas. The most common examples are for law enforcement officers and firefighters, covered under 5 U.S.C. §§ 8336(c) or 8412(d). When such an employee retires under optional or mandatory retirement, the agency must provide a summary letter that certifies this eligibility for various periods of service. This certification letter is discussed in Chapter 46 of the CSRS/FERS Handbook, but more fully in OPM Benefits Administration Letter (BAL) 10-105 (July 7, 2010), <http://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2010/10-105.pdf>. OPM has found that many Department retirement applications are missing this agency service certification summary memorandum. Copies of the applicant's official position descriptions do not have to be included in the retirement application; however, they must be reviewed and carefully analyzed by the Human Resources Specialist who must certify the service in the summary memorandum included in the retirement application package.

Attached for your convenience is a template that can be used to certify Law Enforcement Officer and Firefighter service. This template will also be posted on the OHRM benefits webpage.

Implementing these eight retirement application assembly guidelines will prevent the majority of case errors and omissions currently found by OPM staff who screen and adjudicate the Department's retirement application caseload.

If you have questions, please contact Colin C. Bennett on my staff, at (202) 482-3506, or [cbennett@doc.gov](mailto:cbennett@doc.gov).

Attachment