

REHIRED ANNUITANTS

Rehired Annuitants

- CSRS Retirees who come back to work
- 5 USC 8344 reduces new wages by amount of CSRS annuity received
 - Agency pays this amount to CSRS Fund
- Rev Rul 90-32 subjects adjusted wages only to Medicare, not Social Security, withholdings

Dual Compensation Waivers

If Executive agency head asks, OPM Dir. may:

- Waive salary adjustment when recruiting or retaining qualified employees for a position is exceptionally difficult
- Temporarily empower agency head to waive adjustment for duration of emergency of direct threat to life/property or other unusual circumstances

Tax Effect of Waivers

- Full unadjusted salary is subject to withholding of Social Security, as well as Medicare, taxes