



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

6.553.1

JULY 1, 2020

## EFFECTIVE DATE

(07-01-2020)

## PURPOSE

- (1) This transmits new IRM 6.553.1, Reemployment of Civilian Retirees to Meet Exceptional Employment Needs.

## MATERIAL CHANGES

- (1) This new IRM incorporates the Program Scope and Objectives subsection as required by IRM 1.11.2, Internal Management Documents System, Internal Revenue Manual (IRM) Process.

## EFFECT ON OTHER DOCUMENTS

This IRM is new and effects no other documents.

## AUDIENCE

All business units

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6.553.1

Reemployed Annuitants (REA) with a Salary Offset Waiver

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# Reemployed Annuitants (REA) with a Salary Offset Waiver 6.553.1

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6.553.1.1  
(07-01-2020)  
**Program Scope and Objective**

- (1) **Purpose:** This IRM establishes IRS policy guidance for the solicitation, selection, and appointment of a reemployed annuitant (REA) with a salary offset waiver. As required, it may be supplemented by Human Capital Office (HCO) interim guidance. Read and interpret this guidance in accordance with applicable laws (5 United States Code (USC)), government-wide regulations (5 Code of Federal Regulations (CFR)), Treasury Human Capital Issuance System Directives and Orders, Comptroller General (CG) and Office of Personnel Management (OPM) Decisions, and other sources as appropriate.
- (2) **Audience:** Unless otherwise indicated, the policies, authorities, and instructions contained in this IRM apply to all IRS business units. Bargaining Unit (BU) employees should also review negotiated agreement provisions relating to subjects in this IRM. Should any of these instructions conflict with a provision in the negotiated agreement, the agreement prevails for BU employees.
- (3) **Policy Owner:** The IRS Human Capital Officer.
- (4) **Program Owner:** The Worklife, Benefits, and Performance (WBP) Division, Awards, Compensation, and Leave Policy (ACLP) Branch.
- (5) **Program Goals:** This IRM provides Servicewide policy and guidance for the solicitation, selection, and appointment of an REA with a waiver of a dual salary offset (or dual “salary offset waiver”) to help achieve mission-critical goals.

6.553.1.1.1  
(07-01-2020)  
**Background**

- (1) The new IRM 6.553.1, Reemployment of Civilian Retirees to Meet Exceptional Employment Needs provides guidance for approval of an REA with a waiver of a dual salary offset, enabling the REA to earn their full annuity plus their full salary (i.e., dual compensation) under the authority found in 5 CFR 553, or the National Defense Authorization Act (NDAA) for fiscal year (FY) 2020.

6.553.1.1.2  
(07-01-2020)  
**Authority**

- (1) **Laws:** Title 5, USC, Government Organization and Employees at: <http://uscode.house.gov/>
  - a. §5533, Dual pay for more than one position, limitations, exceptions;
  - b. §8344, Civil Service Retirement System (CSRS), Annuities and pay on reemployment; and
  - c. §8468, Federal Employees Retirement System (FERS) Annuities and pay on reemployment.
- (2) **Public Laws:**
  - a. Public Law 111-84, NDAA for FY 2010 at: <https://www.gpo.gov/fdsys/pkg/PLAW-111publ84/pdf/PLAW-111publ84.pdf>
  - b. Public Law 113-35, NDAA for FY 2015 at: <https://www.congress.gov/bill/113th-congress/house-bill/3979/text>
  - c. Public Law 111-84, NDAA for FY 2020 at: <https://www.congress.gov/bill/116th-congress/senate-bill/1790/text>
- (3) **Regulations:** Title 5, CFR at: <https://ecfr.io/Title-05/>
  - a. Part 213, Excepted Service;
  - b. Part 316, Temporary and Term Employment;

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- c. Part 340, Subpart D, Seasonal and Intermittent Employment; and
- d. Part 553, Reemployment of Civilian Retirees to Meet Exceptional Employment Needs.

- (4) **Delegation of Authority:** Delegation Order 6-23, Delegations of Authority to Accomplish Pay Administration, at: <http://irm.web.irs.gov/link.aspx?link=1.2.2.7.13>, delegates authority to the Director, WBP Division, to request a waiver of a dual compensation reduction so that REAs may receive both their full salary plus full annuity.

6.553.1.1.3  
(07-01-2020)

### Roles and Responsibilities

- (1) The IRS Human Capital Officer is the executive responsible for this IRM and overall Servicewide policy for REAs with a salary offset waiver.
- (2) The HCO, WBP, ACLP Branch, is responsible for developing and publishing content in this IRM.
- (3) The HCO, Employment, Talent, and Security (ETS) Division is responsible for determining qualifications, recruitment, and hiring. They partner with business units, or Business-Based Human Resources (BBHR), as applicable, who have permission to hire REAs with a salary offset waiver.
- (4) The BBHR or HCO's Customer Service Division (CSD) is responsible for coordinating the REA package with the business unit, WBP, and ETS.
- (5) The HCO, Payroll and Personnel Systems (PPS) Division is responsible for providing system tools, and all related instructions, to accomplish proper recordation on official source documents from which an employee is paid (e.g., time and attendance (T&A) documents, personnel action requests (PARs)).

**Note:** Specific information and instructions on T&A reporting, approvals, and maintenance requirements are found in Standard Operating Procedure (SOP) MPC-02, issued by the Memphis Payroll Center posted at: [http://hco.web.irs.gov/PPS/SOP-UOG/MPC\\_02.html](http://hco.web.irs.gov/PPS/SOP-UOG/MPC_02.html).

- (6) Managers have the fundamental responsibility to ensure government resources are used efficiently and effectively, with minimum potential for waste, fraud and mismanagement. As such, they must administer appointments covered in this IRM with integrity and in compliance with applicable laws, regulations, and policies.

6.553.1.1.4  
(07-01-2020)

### Program Management and Review

- (1) This IRM provides policy and guidance for the reemployment of an annuitant with a waiver of a dual salary offset (subsequently referred to as a "salary offset waiver"). The ACLP Branch gauges effectiveness of policies relating to REAs with a salary offset waiver based on feedback from customers and program owners about subjects contained in this IRM. The ACLP Branch also plays an integral role in program management, review and effectiveness by assisting business units with hiring REAs with salary offset waivers. During the review and publishing of this IRM, and based on feedback from customers, sections are revised, added or deleted based in part on this process.

6.553.1.1.5  
(07-01-2020)  
**Program Controls**

- (1) The ACLP Branch develops and deploys policies, materials and programs to increase Servicewide awareness and understanding of REAs with salary offset waivers and collaborates with other HCO organizations and Servicewide stakeholders to support education and outreach activities as they relate to REAs.
- (2) The following activities help to ensure program success:
  - a. Conducting annual policy reviews;
  - b. Publishing educational articles, such as Frequently Asked Questions (FAQs), Leaders' Alerts, and IRS Headlines; and
  - c. Maintaining accurate and up-to-date program websites.

6.553.1.1.6  
(07-01-2020)  
**Definitions**

- (1) **Annuitant:** A current or former civilian employee who is receiving, or meets the legal requirement to apply for, an annuity, has applied for an annuity, or announced their intention of applying for an annuity.
- (2) **Dual Compensation Reduction:** The reduction of an REA's salary by the amount of their annuity. This reduction is also referred to as a salary offset.
- (3) **Intermittent Employment:** A type of employment where the employee has no regularly assigned work schedule and no prescheduled tour of duty (TOD). Intermittent employment is appropriate only when the nature of the work is sporadic and unpredictable so the TOD cannot be regularly scheduled in advance.
- (4) **Reemployed Annuitant (REA):** A former federal employee who is hired after retiring. There are two types of REAs:
  - a. REA with salary offset: The REA's salary is reduced by the annuity amount, if retirement annuity continues after reemployment; and
  - b. REA **with** salary offset waiver: The REA's salary is not reduced by the annuity amount that continues after reemployment.
- (5) **Salary Offset Waiver:** A waiver of a dual compensation reduction thus allowing an REA to collect both their full annuity and full salary. In accordance with this IRM, REAs with a salary offset waiver receive dual compensation (both their retirement annuity and full salary).
- (6) **Temporary Limited Appointment:** A type of appointment used to fill a short-term need, generally less than one year. For additional information, see 5 CFR 316.401.

6.553.1.1.7  
(07-01-2020)  
**Related Resources**

- (1) The OPM's CSRS and FERS Handbook for Personnel and Payroll Offices, Chapter 100, at: <https://www.opm.gov/retirement-services/publications-forms/csrsfers-handbook/>.
- (2) The HCO's REA FAQs document at: <https://irssource.web.irs.gov/SiteAssets/Lists/Retirement/EditItemForm/NDAA%20and%205%20CFR%20553.202%20and%20553.201%20FAQs.pdf>.
- (3) The REA with Salary Offset Requests: Approval Process Steps and Expected Timeframe document at: <https://organization.ds.irsnet.gov/sites/HCOWBE/PLB/CT/65531%20%20REA/REA%20Guidance%20Documents/DRAFT%20-%20FlowChart%20for%20REAs%20-%20202.12.19.pdf>.

## 6.553 Reemployment of Civilian Retirees to Meet Exceptional Employment Needs

6.553.1.2  
(07-01-2020)

### General Information

- (1) Generally, an annuitant who is reemployed in federal service will have their annuity reduced by the amount of their pay. However, in certain limited circumstances, the law provides the authority for federal agencies to reemploy annuitants with a salary offset waiver (i.e., provides a reemployed annuitant dual compensation to receive both their retirement annuity and full salary).
- (2) The IRS uses the REA hiring flexibility under 5 CFR 553 and NDAA for FY 2020, as amended, to noncompetitively appoint annuitants as described in this IRM.
  - a. Under the NDAA for FY 2020 authority, an REA works an intermittent schedule and is limited to working 1,040 hours (1,039 hours under IRS policy) within a 12-month period. With approval, the REA appointment can be extended beyond 12 months, but cannot exceed 3,120 hours of total service.
  - b. Under the 5 CFR 553 authority, an REA works a full-time schedule and is approved by OPM.
- (3) The REA hiring authority should be utilized to fill a temporary short-term need and is not meant to backfill permanent hiring needs.
- (4) The business unit must include a succession plan for the position, or work, as appropriate.
- (5) All REA with salary offset waiver appointments are subject to misconduct and federal tax compliance screenings in accordance with IRS procedures.
- (6) Annuitants under both the CSRS and FERS may be reemployed under the provisions of this IRM. The OPM's CSRS and FERS Handbook, Chapter 100, contains guidance and job aids for use in hiring REAs.
- (7) An REA with a salary offset waiver serves on a temporary limited appointment at the will of the appointment officer. There is no appeal from termination of a temporary appointment.
- (8) The aggregate limitation on pay does not include the annuity of an REA. See IRM 6.530.1, Aggregate Limitations on Pay and Special rate Schedules.
- (9) The dual salary offset waiver applies only to the position for which it has been authorized, and it terminates upon the individual's assignment to a different position, unless an exception has been authorized, in accordance with this IRM.
- (10) An REA is on a noncompetitive appointment; as such, an REA is not eligible to receive a promotion.

6.553.1.2.1  
(07-01-2020)

### Performance Management

- (1) An REA with a salary offset waiver is subject to the provisions of IRM 6.430.1.3(3), Scope of the IRS Performance Management Program, and is covered by the performance management requirements of the position to which they are appointed.
- (2) The minimum appraisal period for which an employee covered by a performance plan can receive a summary rating is 60 days.



6.553.1.2.2  
(07-01-2020)

## Awards

- (1) An REA with a salary offset waiver is subject to provisions of IRM 6.451.1, Employee Performance and Utilization - Awards and Recognition. For BU positions, refer to IRM 6.451.1.7 at: <http://irm.web.irs.gov/Part6/Chapter451/Section1/IRM6.451.1.aspx#6.451.1.7>; and for non-bargaining unit (NBU) positions, refer to IRM 6.451.1.8.1 at: <http://irm.web.irs.gov/Part6/Chapter451/Section1/IRM6.451.1.aspx#6.451.1.8>.

6.553.1.2.3  
(07-01-2020)

## Referral Process

- (1) This IRM provides guidance to reemploy uniquely qualified retired annuitants without advertising. In these cases, the following is required:
  - a. A standard position description and resume of the applicant(s);
  - b. Fair and appropriate guidelines and/or ranking criteria;
  - c. A justification, including a description of why other reasonable staffing options are insufficient and why the applicant is uniquely qualified;
  - d. A succession plan to ensure staffing is in place to continue the work after the REA appointment has ended;
  - e. A signed declination of employment if salary offset waiver is not granted;
  - f. Information noting the title, pay plan, series, grade, and location for the work assignment; and
  - g. Information noting the number of referrals being made to each position.

6.553.1.2.4  
(07-01-2020)

## Responsibilities

- (1) The business unit will:
  - a. Identify the need to appoint an REA with salary offset waiver (i.e., dual compensation) for a temporary work assignment;
  - b. Work with the BBHR to coordinate the REA with salary offset waiver process;
  - c. Identify a succession plan for the position, or work, as appropriate;
  - d. Determine the authority to make the request for a salary offset waiver (i.e., under 5 CFR 553, or the NDAA for FY 2020);
  - e. Identify the title, pay plan, series, grade, and standard position description for the work assignment;
  - f. Prepare and submit a salary offset waiver request to the ACLP Branch's REA program manager;
  - g. Work with the ETS Division's employment office to on-board the annuitant;
  - h. Determine appointment eligibility based on the results of the misconduct and tax compliance check;
  - i. Monitor the not-to-exceed (NTE) date;
  - j. Track the number of hours worked by the REA to ensure compliance with hourly limitations; and
  - k. Determine if there is a need to retain the annuitant or input the PAR to terminate the employment.
- (2) The BBHR or CSD will coordinate the REA with salary offset waiver with the business unit, ETS, and the ACLP Branch's REA program manager.
- (3) The ETS Division's employment office will:
  - a. Perform a qualification determination for the tentative selectee;
  - b. Perform a misconduct and tax compliance check;

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- c. Work directly with the business unit point of contact (POC) to obtain fingerprints, initiate a background investigation, and hire the annuitant; and
- d. Process appointment, extension, and termination PARs, ensuring the annuitant indicator is correct based on Alert 300-51 at: <http://hco.web.irs.gov/PPS/SOP-UOG/SOP330-1.pdf#search=EO%20Alert%20300%2D51>.

(4) The ACLP Branch will:

- a. Receive, review, and forward a complete waiver request package to the Director, WBP Division for signature via a transmittal memorandum to the Department of the Treasury (Treasury);
- b. Notify the business unit when Treasury approves the request or closes it without further action;
- c. Maintain records of completed requests; and
- d. Track the allowable number of REAs working under the NDAA authority. For additional information, see IRM 6.553.1.4.1 Workforce Limitations.

6.553.1.3  
(07-01-2020)  
**REA With Salary Offset  
Waiver Under 5 CFR 553**

- (1) Under 5 CFR 553, an annuitant may be reemployed with a salary offset waiver (i.e., dual compensation) as approved by OPM, or its designee, for one of the following reasons:
  - a. Emergency hiring need;
  - b. Severe recruiting difficulty;
  - c. Need to retain a particular individual, or an individual who is uniquely qualified for a particular project; or
  - d. Other unusual circumstances.
- (2) The OPM may specify a time limit to the REA's appointment, (e.g., NTE one year).
- (3) The OPM may specify hourly limitations on appointments and/or work specified schedules (e.g., full-time, intermittent or part-time).
- (4) Annuitants that are reemployed with a salary offset waiver (i.e., dual compensation):
  - a. Serve on a noncompetitive, temporary limited appointment;
  - b. Are not eligible for additional retirement coverage other than Federal Insurance Contributions Act (FICA); and
  - c. May not make contributions to the Thrift Savings Plan (TSP).
- (5) Request for a salary offset waiver (i.e., dual compensation) under 5 CFR 553, must be approved by OPM, or its designee. For additional information, see OPM's Dual Compensation Waiver Templates for at: <https://www.opm.gov/policy-data-oversight/hiring-information/dual-compensation-waivers/>.

6.553.1.3.1  
(07-01-2020)  
**Emergency Hiring Needs**

- (1) For an annuitant whose services are needed on a temporary basis to respond to an emergency involving a direct threat to life or property, requests must include the following:
  - a. Nature of the emergency, (e.g., military threat, natural disaster, or other unforeseen event), the date it occurred, the expected duration of the emergency response effort; and

- b. Description of the services needed (including the individual's unique qualifications for the emergency response work, or how the number of positions to be filled and/or urgency of response justifies making the particular appointment without further delay).

6.553.1.3.2  
(07-01-2020)  
**Severe Recruiting  
Difficulty**

- (1) For the IRS's use in difficult-to-fill positions, the request must include the following:
  - a. A description of the length of time, and scope of the business unit's recruiting efforts for the position;
  - b. Factors that demonstrate a legitimate recruitment need that cannot be met without a waiver, such as unusual qualification requirements, location of the job and other mitigating factors used, such as recruitment or retention incentives; and
  - c. Why there is a need to fill the position immediately.

6.553.1.3.3  
(07-01-2020)  
**Need to Retain a  
Particular Individual**

- (1) For a particular individual who is uniquely qualified for an ongoing project, the request must include the following:
  - a. A description of the critical nature of the project and its importance to the IRS's mission, the potential costs of project failure or delay, and any other factors demonstrating the project is unusually critical;
  - b. A description of the individual's unique qualifications that are essential for the successful completion of the project, which could not be acquired by another appointee within a reasonable period of time;
  - c. A showing of good cause to believe the individual will retire (or resign without a waiver) and that the IRS will lose the services of the individual if the exception is not granted; and
  - d. An explanation of why the work cannot be assigned to other employees involved with the same project.

6.553.1.3.4  
(07-01-2020)  
**Other Unusual  
Circumstances**

- (1) A dual compensation waiver may be requested for an individual whose services are needed on a temporary basis due to other unusual circumstances (e.g., the need to conform to a congressional or other mandate to meet new or expanded mission requirements by a particular date, or instances where an annuitant is needed because they possess credentials to perform mission critical work, which cannot be performed by other employees in a reasonable amount of time). This request must include the following:
  - a. A description of the unusual circumstance, when it occurred, and the length of time the unusual circumstance is expected to last;
  - b. How the annuitant's duties support the IRS's mission;
  - c. Why the unusual circumstance could not be avoided; and
  - d. The candidate's unique qualifications.

6.553.1.3.5  
(07-01-2020)  
**Documentation**

- (1) Once a business unit decides to appoint an annuitant for a temporary work assignment, the business unit POC will submit a complete waiver request to the ACLP Branch's REA program manager. A complete waiver request must include:
  - a. A memorandum from the BBHR Director (or equivalent) to the Director, WBP Division, requesting a salary offset waiver;

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**Note:** Multiple requests may be submitted in one memorandum but must name each individual and show that each proposed action meets the criteria in this IRM.

- b. A Treasury Request for a Dual Compensation Waiver Worksheet, which includes the following:
  - Circumstances under which the waiver request is being submitted (for additional information, see IRM 6.553.1.3, REA with Salary Offset Waiver Under 5 CFR 553);
  - Justification statement that supports how the employment of this annuitant is necessary under current circumstances;
  - Description of the efforts to use other reasonable staffing options and/or pay flexibilities; and
  - Description of the business unit succession plan for the position, or work, whichever is appropriate.
- c. A Declination of Employment with the IRS if Salary Offset Waiver is not granted, signed by the annuitant;
- d. Copy of the standard position description; and
- e. Annuitant's resume or application.

- (2) Requests that meet all requirements will be forwarded via a transmittal memorandum signed by the Director, WBP Division, to Treasury, and to OPM when required, for review and approval.
- (3) The OPM, or its designee, will prepare a response memorandum addressed to the Director, WBP Division, indicating whether the request is approved, or will notify the ACLP's Branch REA program manager the request is closed without action. The ACLP Branch will notify the business unit POC and/or BBHR of the decision.

6.553.1.4  
(07-01-2020)

### REA With Salary Offset Waiver Under NDAA for FY 2020

- (1) The NDAA for FY 2010 (Public Law 111-84) was signed into law on October 28, 2009. The REA provisions in Section 1122 of Subtitle B of Title XI of this law provided the authority for federal agencies to reemploy federal annuitants under certain limited circumstances without a dual compensation reduction. The REA authority under the NDAA for FY 2010 was extended on December 19, 2014, when H.R. 3979 was signed into law. The NDAA for FY 2020 was reauthorized on December 20, 2019. The NDAA for FY 2020 extends the NDAA authority until December 31, 2024.
- (2) Requests for salary offset waivers under the NDAA for FY 2020 must be approved by Treasury, or its designee.
- (3) Generally, an employee must be off rolls (i.e., retired) before the IRS can submit a waiver request to Treasury, or its designee.

**Note:** Allow 90 days for Treasury, or its designee, to process an REA salary offset waiver request.

- (4) In rare cases, the IRS may retain a current employee by showing the employee would retire and the IRS will lose their services if a salary offset waiver is not granted.

**Note:** Based on guidance from Treasury on documentation, the business unit should document attempts to retain the person in a critical position. For addi-

tional information regarding retention incentives, see IRM 6.575.1, IRS Recruitment, Relocation, Retention, and Extended Assignment Incentives.

6.553.1.4.1  
(07-01-2020)  
**Workforce Limitations**

- (1) The number of REAs working under the NDAA for FY 2020 authority may not, at any time, exceed two and a half percent of the total full-time IRS workforce. If the total number exceeds one percent of the full-time workforce, the IRS is required to provide an explanation and justification to Congress and OPM.

**Note:** The IRS will limit its use of REAs to one percent of the full-time IRS workforce. The ACLP Branch REA program manager will monitor this percentage.

6.553.1.4.2  
(07-01-2020)  
**Approval Authority**

- (1) Generally, the IRS will utilize the available personnel flexibilities, in Section 1122 of Subtitle B of Title XI of the NDAA for FY 2020 authority, to request and receive approval from Treasury, or its designee, to appoint REAs with salary offset waivers. When the NDAA authority expires on December 31, 2024, unless it is reauthorized and extended by law, REA salary offset waiver requests must be submitted to OPM, or its designee, for review and approval, based on regulations found in 5 CFR 553 and IRM 6.553.1.3, REA with Salary Offset Waiver Under 5 CFR 553.

6.553.1.4.3  
(07-01-2020)  
**Approval Requirements**

- (1) Approval under the NDAA for FY 2020 requires Treasury, or its designee, to decide that the employment of the annuitant is necessary to:
  - a. Fulfill functions critical to the mission of the bureau;
  - b. Assist in the implementation or oversight of the American Recovery and Reinvestment Act of 2009 (Public Law 11105) or the Troubled Asset Relief Program in Title 1 of the Emergency Economic Stabilization Act of 2008 (12 USC 5201 et seq.);
  - c. Assist in the development, management, or oversight of agency procurement actions;
  - d. Assist the Inspector General (IG) in the performance of the mission of the IG;
  - e. Promote appropriate training or mentoring programs of employees;
  - f. Assist in the recruitment or retention of employees; or
  - g. Respond to an emergency involving a direct threat to life or property or other unusual circumstance.
- (2) The business unit must explore all other reasonable staffing options and/or pay flexibilities applicable to the situation before pursuing a salary offset waiver.

6.553.1.4.4  
(07-01-2020)  
**Temporary Limited Appointment**

- (1) An REA with a salary offset waiver approved under the NDAA for FY 2020 is appointed to a position under the provisions of a temporary limited appointment authority (5 CFR Part 316 or Part 213) that limits each appointment to a period of one year or less.
- (2) With Treasury's (or its designee's) approval, a temporary appointment may be extended up to a maximum of one additional year (for 24 months of total service). For additional information regarding extension of the REA appointment, see IRM 6.553.1.4.8, Request for Extension of the Salary Offset Waiver.

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- (3) Under an exception (5 CFR 316.401(d)) and with approval of Treasury or its designee, the IRS may make and extend temporary appointments involving intermittent work beyond 24 months provided the REA works 1,039 or fewer hours in each service year.

6.553.1.4.5  
(07-01-2020)

### Hourly Limitations under the NDAA

- (1) The NDAA for FY 2020 authority limits REAs to working a maximum number of hours as follows:
  - a. A total of 520 hours during the first six months of retirement;
  - b. A total of 1,040 hours during any 12-month period (but limited to 1,039 hours per IRS policy); and
  - c. A total of 3,120 hours.
- (2) If training or mentoring of employees is not an REA's primary duty, an REA may perform up to 520 hours of training or mentoring work in addition to the 3,120 maximum hours worked allowed under the NDAA authority.
  - a. For example, an REA is hired with the primary duty to support workforce retention but works 80 hours training and mentoring as a Staffing and Placement class instructor. Since training and mentoring is not the REA's primary duty, the hours worked training and mentoring as an instructor would not be included in the REA's total hours worked under the NDAA for FY 2020 authority and could be in excess of the 3,120 maximum hours, as long as they do not exceed 520 hours. However, the hours worked training and mentoring would be included in the REA's total service year hours (i.e., beginning on the appointment date and ending on the NTE date), worked under the temporary limited appointment authority.
- (3) The business unit is responsible for maintaining the following records:
  - a. Hours worked during the service year (i.e., beginning on the appointment date and ending on the NTE date);
  - b. Hours worked under the temporary appointment (excluding overtime hours); and
  - c. All hours worked under the NDAA authority (including overtime hours).

6.553.1.4.6  
(07-01-2020)

### Employment, Leave, and Benefits

- (1) An REA with a salary offset waiver approved under the NDAA for FY 2020 is appointed to an intermittent work schedule and:
  - a. Is not eligible to earn leave;
  - b. Is not eligible for administrative leave (5 USC 6329a);
  - c. Is not eligible for investigative leave or notice leave (5 USC 6329b);
  - d. Is not eligible for weather and safety leave (5 USC 6329c);
  - e. Is not paid for holidays;
  - f. Will have Social Security (FICA) and Medicare deductions withheld from their pay;
  - g. May not elect to have CSRS or FERS retirement contributions withheld from their pay;
  - h. Is not eligible to contribute to the TSP; and
  - i. May telework with an approved telework agreement.



6.553.1.4.7  
(07-01-2020)  
**Documentation**

- (1) Once a business unit decides to appoint an annuitant for a temporary work assignment, the business unit POC will submit a complete waiver request to the ACLP Branch's REA Program Manager. A complete waiver request must include the following:
  - a. A memorandum from the BBHR Director (or equivalent) to the Director, WBP Division, requesting a salary offset waiver;  
**Note:** Multiple requests may be submitted in one memorandum but must name each individual and show that each proposed action meets the criteria in this IRM.
  - b. A Treasury Request for a Dual Compensation Waiver Under the NDAA for FY 2020 Worksheet, which includes the following:
    - Circumstances under which the waiver request is being submitted;
    - Justification statement that supports how the employment of this annuitant is necessary under these circumstances;
    - Description of the efforts to use other reasonable staff options and/or pay flexibilities; and
    - Description of the business unit succession plan for the position, or work to be performed, whichever is appropriate.
  - c. A Declination of Employment with the IRS if Salary Offset Waiver is not Granted, signed by the annuitant;
  - d. Copy of the standard position description; and
  - e. Annuitant's resume or application.
- (2) Requests that meet all requirements will be forwarded via a transmittal memorandum signed by the Director, WBP Division, to Treasury for review and approval.
- (3) Treasury, or its designee, will prepare a response memorandum addressed to the Director, WBP Division indicating whether the request is approved or will notify the ACLP Branch's REA program manager the request is closed without action. The ACLP Branch will notify the business unit POC and/or BBHR of the decision.

6.553.1.4.8  
(07-01-2020)  
**Request for Extension of Salary Offset Waiver**

- (1) A business unit may request to extend the appointment of an REA with salary offset waiver if a business need exists to retain the annuitant.  
**Note:** For additional information regarding the limits to a temporary appointment, see IRM 6.553.1.4.4, Temporary Limited Appointment. For additional information regarding the hourly limitations, see IRM 6.553.1.4.5 Hourly Limitations Under the NDAA.
- (2) To ensure there is no break in service, the business unit should submit a complete extension of salary offset waiver request package to the ACLP Branch's REA program manager at least 90 days prior to the NTE date of the REA's current appointment.
- (3) A complete extension of salary offset waiver request package includes the following:
  - a. A memorandum from the BBHR Director (or equivalent) to the Director, WBP Division, requesting an extension of the salary offset waiver;

## 6.553 Reemployment of Civilian Retirees to Meet Exceptional Employment Needs

**Note:** Multiple requests may be submitted in one memorandum.

- b. A Treasury Request for a Dual Compensation Waiver Under the NDAA for FY 2020 Worksheet, which includes the following:
    - Circumstances under which the extension request is being submitted;
    - Justification statement that supports how the extension of this REA with a salary offset waiver is necessary under these circumstances;
    - Description of the efforts to use other reasonable staffing options and/or pay flexibilities;
    - Description of the business unit succession plan for the position, or work, whichever is appropriate; and
    - Indication that the position description and resume are on file.
  - c. An NDAA tracking-hour worksheet that includes the following information:
    - Appointment date;
    - NTE date;
    - Number of hours worked for the current service year;
    - Dates and number of hours worked in prior service years; and
    - Total number of hours worked under the NDAA authority.
- (4) Requests that meet all requirements will be forwarded via a transmittal memorandum signed by the Director, WBP Division, to Treasury for review and approval.
- (5) Treasury will prepare a response memorandum addressed to the Director, WBP Division indicating whether the request is approved, or Treasury will notify IRS the request is closed without action. The ACLP Branch will notify the business unit POC and/or BBHR of the decision.



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# Reemployed Annuitants (REA) with a Salary Offset Waiver 6.553.1

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## Exhibit 6.553.1-1 (07-01-2020) Quick Reference Authority Chart

Authority:	5 CFR 553	National Defense Authorization Act (NDAA) for FY 2020
Appointment Type:	Noncompetitive temporary limited appointment.	Noncompetitive temporary limited appointment.
Approver:	OPM, or its designee.	Treasury, or its designee.
Hourly Limitation(s):	The IRS can request, and OPM approve the type of appointment to determine if an hourly limitation applies.	<ul style="list-style-type: none"><li>• 1,039 hours during any 12-month period;</li><li>• 520 hours during the first six months of service following the individual's annuity commencing date, and</li><li>• 3,120 total hours.</li></ul>
Expiration:	Does not expire.	Expires December 31, 2024.

