

NASA Interim Directive**Responsible Office: Office of Human Capital Management****Subject: Phased Retirement****1. Background**

a. Public Law 112-141, Section 100121 authorized phased retirement, a tool designed to assist management with: succession planning; maintaining essential skills and competencies for a temporary period of time; and facilitating mentoring and knowledge transfer. The law also provides eligible employees, otherwise preparing for retirement, an opportunity to continue working on a part time basis while receiving partial retirement benefits.

b. The Office of Personnel Management's (OPM's) regulations governing Phased Retirement went into effect on November 6, 2014. This NASA Interim Directive (NID) supplements the OPM regulations and implementation guidance referenced below and communicates how phased retirement will be implemented at NASA.

2. Authority

a. Moving Ahead for Progress in the 21st Century Act, Public Law 112-141, Section 100121.

b. Phased Retirement, 5 U.S.C. § 8336a.

c. Phased Retirement, 5 U.S.C. § 8412a.

3. Applicable Documents and Forms

a. 5 U.S.C. 6901, Supplemental Standards of Ethical Conduct for Employees of NASA.

b. Retirement, 5 CFR Part 831, Subpart Q.

c. Phased Retirement, 5 CFR Part 848.

d. OPM Information and Instructions for completing an Application for Phased Retirement under the Civil Service Retirement System (CSRS), Standard Form (SF) 2825, October 2014.

e. OPM Information and Instructions for completing an Application for Full Retirement Status (from Phased Retirement) under the CSRS, SF 2826, October 2014.

f. OPM Phased Employment/Phased Retirement Status Elections, SF 3116

g. OPM Information and Instructions for completing an Application for Phased Retirement under the Federal Employees Retirement System (FERS), SF 3117, October 2014.

h. OPM Information & Instructions for Completing an Application for Full Retirement Status (from Phased Retirement) under the FERS, SF 3118.

i. OPM's Guide to Processing Personnel Actions, Chapter 27 at: [Phased Employment/Phased Retirement](#)

j. The NASA Shared Services Center (NSSC) Service Delivery Guide

k. NASA's Phased Retirement web site at: <https://nssc.nasa.gov/phasedretirement>

4. Applicability

This NID is applicable to eligible employees assigned to NASA Headquarters and NASA Centers, including Component Facilities, Technical and Service Support Centers, and to applicants for NASA positions who are in phased retirement status at another Agency. Any reference to Center Director(s) or Centers includes the Associate Administrator for Mission Support, the Executive Director for Headquarters Operations and the Executive Director of NASA Shared Services Center (NSSC). The Office of the Inspector General has statutory independence and may use this directive or develop their own implementation procedures.

5. Measurement/Verification

The Assistant Administrator, Human Capital Management (HCM), in partnership with the NSSC shall monitor the implementation and use of phased retirement for program effectiveness.

Chapter 1. Overview and General Provisions

1.1 Overview

- a. The provisions of phased retirement allow management officials to authorize certain employees, who are otherwise eligible to retire, the option to work a half time schedule of 40 hours per pay period while withdrawing partial retirement benefits for a specified length of time.
- b. The purpose of phased retirement is to provide a period of transition into full retirement, during which the employee mentors (transfers knowledge to) others for 20% of the half time work schedule, and continues to provide service to NASA. Phased retirement is a human resource management tool, it is not an employee entitlement.

1.2 General Provisions

- a. Employees must have been employed full time for not less than the three year period ending on the effective date of phased retirement status, and be eligible to retire in accordance with 5 CFR 831.1711 or 5 CFR 848.201. This includes:
 - (1) Employees covered under the CSRS who have at least 30 years of service and have attained at least age 55, or have at least 20 years of service and have attained at least age 60.
 - (2) Employees covered under the FERS who have at least 30 years of service and have attained at least their Minimum Retirement Age (MRA), between ages 55-57, or have at least 20 years of service and have attained at least age 60.
- b. Participation in phased retirement is voluntary and requires the mutual consent of the employee and an authorized management official. All employees approved for phased retirement must execute a signed agreement before entering phased retirement status, with an established end date of two years or less from the date phased retirement begins.
- c. An employee who wishes to participate in phased retirement is responsible for presenting a proposal for work and mentoring to convince the approving official that the employee's participation in phased retirement will be advantageous to NASA.
- d. Employees may withdraw their applications for phased retirement any time prior to the date that they enter phased retirement, but not thereafter.
- e. A phased retiree can opt to fully retire at any time during their phased retirement period.
- f. A phased retiree may request an extension to the originally approved period; the total time in phased retirement may not exceed 3 years. The extension must be approved and effected, to include execution of a new agreement, before the end of the original phased retirement period.
- g. Because phased retirement is intended as a transition to full retirement, a phased retiree generally does not have an option of returning to regular employment, unless selected for another Federal position through normal procedures. An approving official may approve the written

request of a phased retiree to return to regular employment; such situations should be rare and must be effected prior to the end of the phased retirement period.

h. For the purposes of Federal Employee Health Benefits (FEHB), Federal Employees Group Life Insurance (FEGLI), and NASA Employee Benefits Association (NEBA), the phased retiree is considered to be a full time employee. For all other purposes, such as pay, leave accrual and holidays, the employee is considered to be a part time employee. A phased retiree will remain subject to the applicable performance system and to all normal workplace rules and expectations, including rules pertaining to outside employment.

i. NASA's application template and other information and guidance about phased retirement are found on the Agency's phased retirement web site.

j. The Agency will use the Web Based Time and Attendance Distribution System (WebTADS) to track compliance with the work schedule limits applicable to phased retirement and time spent performing mentoring activities.

Chapter 2. Responsibilities

2.1 Assistant Administrator, Office of Human Capital Management (OHCM) shall

a. Establish Agency policies and procedures that support the implementation of phased retirement consistent with applicable laws, regulations and Agency human capital strategic goals.

b. Monitor phased retirement program to ensure compliance and program effectiveness.

2.2 Center Directors, including the Executive Director, Headquarters Operations and the Executive Director, NASA Shared Services Center, shall:

a. Approve or deny applications for phased retirement, requests for extensions to initial phased retirement periods, and requests from phased retirees to return to regular employment. This authority may be further delegated to management officials at least one level above the applicant's immediate supervisor.

b. Consider and make decisions on requests for reconsideration arising from denial of an employee's application for phased retirement. This authority may be further delegated to management officials at least one level above the manager who denied the initial phased retirement application.

c. Approve emergency exceptions to the 40 hour work schedule limit per pay period for phased retirees, in accordance with the conditions in paragraph 7.b. This authority may be further delegated.

d. Approve waivers of the mentoring requirement in appropriate circumstances, in accordance with paragraph 8.e. of this directive. This authority may be further delegated.

2.3 Supervisors shall:

- a. Consult with their management chain regarding potential work and mentoring options and other applicable considerations when an employee expresses an interest in phased retirement.
- b. When an employee submits a completed application for phased retirement, forward the application to the Center Human Resources Office (HRO) for review and submission to the approving official.
- c. Ensure phased retiree's work schedule of 40 hours per pay period is recorded in WebTADS.
- d. Monitor to ensure phased retiree is conducting mentoring activities in accordance with the approved plan and for at least the required 20 percent time, and that mentoring hours are properly and accurately recorded in WebTADS. For phased retirees covered by the Employee Performance Communication System (EPCS), update the performance plan to ensure a critical element is included for mentoring work and to make other appropriate adjustments based on changes to the employee's duties.
- e. Ensure that phased retirees do not exceed the 40 hour per pay period work schedule limit unless the rare circumstances defined in Chapter 7 of this directive have been approved and documented.
- f. When designated as an approving official:
 - (1) Consider and decide applications to participate in phased retirement, and requests to extend the original time period or return to regular employment, in accordance with the provisions of this directive.
 - (2) With the employee, execute the agreement(s) documenting the terms under which the employee will participate in phased retirement, to include a new or amended agreement if the employee's original phased retirement period is extended.

2.4 Center Human Resources Offices (HROs) shall:

- a. Provide advice and guidance to employees, supervisors and managers.
- b. Review applications for phased retirement to ensure employees are eligible for phased retirement and that applications contain all required content before forwarding to approving official.
- c. Receive approval/disapproval of phased retirement applications and ensure explanation is provided for denials.
- d. Provide management decisions for all requests related to phased retirement to employees and inform supervisors; sign OPM forms reflecting Agency decisions; transmit forms to the NSSC for processing; coordinate execution of phased retirement agreements; and initiate applicable personnel actions.
- e. Regularly review WebTADS reports concerning exceptions to the 40-hour limit and mentoring hours; address any potential non-compliance situations, with appropriate management officials.

- f. Receive notifications regarding upcoming end dates of phased retirement periods; coordinate appropriate separation of employees on or before end dates.
- g. Receive and process requests from employees to extend period of phased retirement or return to regular employment.
- h. Maintain documentation for all phased retirement actions, including applications, agreements, copies of OPM forms, documentation supporting instances of work in excess of 40 hours in a pay period, and requests for extension or return to regular employment.

2.5 NASA Shared Services Center shall:

- a. In coordination with the Agency OHCM, provide information on phased retirement to the NASA workforce, to include maintaining NASA's phased retirement web site.
- b. At an employee's request, confirm basic eligibility for the program; provide appropriate retirement estimates and counseling (provided the employee is within 6 months of eligibility) .
- c. Process all personnel actions related to phased retirement in accordance with decisions communicated by the Center HRO.
- d. Provide benefits counseling to phased retirees.
- e. Process applications and personnel actions for phased retirees entering full retirement.

2.6 Employees who are Phased Retirees shall:

- a. Comply with the work schedule and mentoring requirements described in this NID, to include properly and accurately recording work and mentoring hours in WebTADS.
- b. Submit requests for return to regular employment or to extend the initial phased retirement period in accordance with the requirements in this NID, in sufficient time for decisions to be made and required actions resulting from the decisions to be implemented before the end of the initial phased retirement period (normally at least 60-90 days before).
- c. Contact the NSSC and submit the required application for full retirement when the phased retirement period is ending or the employee decides to fully retire before the end of the period. To avoid delays in processing the full retirement, the employee should contact the NSSC and submit the application at least 90 days in advance.

Chapter 3. Criteria for Approving or Denying Applications for Phased Retirement

- a. Approving officials shall use the following basic criteria for approving or denying phased retirement applications. Centers may establish, in writing, additional criteria for authorizing/denying applications for phased retirement that is aligned to their workforce planning strategy. For example, Centers may identify positions or competencies or positions in specific organizations that may be deemed eligible or ineligible for phased retirement.
- b. Basic Criteria for Approval of Phased Retirement:

- (1) Employee must meet basic eligibility requirements, as described in Chapter 1, paragraph 1.2.a of this directive; and
- (2) There is a need for and opportunity for meaningful transfer of the employee's knowledge as proposed in the mentoring plan; employee is a fit for the needed or proposed type(s) of mentoring; and
- (3) The proposed work is needed, available, suitable for a half-time schedule, and consistent with management determinations about deployment of positions and workload. Employee meets the qualifications requirements for any reassignment or detail.
- (4) Any impact on the organization's or Center's authorized funding levels has been considered and determined acceptable.

Chapter 4. Applications for Phased Retirement

a. Before applying, an interested employee will:

- (1) Determine readiness and intent for full retirement, understanding that entering phased retirement includes a commitment to fully retire at the end of the approved time period.
- (2) Review and consider information regarding the effects of phased retirement and part time employment.
- (3) Consider and discuss with supervisor whether work may be suitable for a part time schedule, and whether there is a need and a feasible approach for transfer of employee's knowledge.
- (4) If within 6 months of eligibility for phased retirement, request applicable retirement estimates and counseling from the NSSC.
- (5) If considering outside employment or other activity that may be related to the employee's NASA employment, paid or unpaid, while in phased retirement status, consult with a NASA ethics attorney and obtain advance approval when required. See 5 USC 6901.

b. Employees shall request approval to enter phased retirement using the Agency's Application Template which can be found on the NASA phased retirement web site; the application shall include all applicable content described by the template, along with any additional content required by the Center.

c. When the application proposes work or mentoring in an organization other than the employee's, written concurrence by both organizations, to include a determination as to whether the plan will be effected via reassignment or detail.

d. When the applicant is a supervisor, the application shall describe how the supervisory work will be performed during the phased retirement period. Specifically, the proposal should address whether:

- (1) the supervisory duties will be assigned to someone else, or

(2) the applicant will continue to perform the supervisory duties, in which case the proposal will explain how this work will be accomplished on a half time schedule; the proposed work schedule should include most days of the pay period.

e. When the applicant is in the Senior Executive Service (SES), the application shall identify a General Schedule (GS) position or set of duties in which the employee will serve while in phased employment, and include a statement that the employee is requesting a voluntary change to lower grade to the GS position. In rare cases an SES employee may be approved for phased retirement while remaining in the SES position; such cases require the approval of the NASA Associate Administrator.

f. The employee shall submit a completed application to the immediate supervisor, who will transmit it to the Center HRO for review and submission to the approving official. The supervisor or the HRO may return to the employee an application that is incomplete (does not include all required elements), or that was submitted by an employee who does not meet the basic eligibility requirements for phased retirement.

Chapter 5. Approval or Denial of Applications for Phased Retirement

a. Approving officials should normally issue a decision within 30 days after a completed application for phased retirement is received by the HRO. If the decision is not issued in this time, the applicant will be notified regarding the status of the application.

b. Approvals must be in writing, with an established end date for the phased retirement period and the execution of a written agreement committing the employee to entering full retirement at the end of the approved period, as conditions of approval prior to the employee entering phased retirement.

c. Approving officials may approve employee requests to enter phased retirement for up to two years. An extension may be approved when there is a continuing need in the organization for the individual's skill set or knowledge transfer in accordance with Chapter 9 of this directive. The maximum total time an employee may remain in phased retirement status at NASA is 3 years.

d. Approving officials shall forward approved applications to the HRO, who will provide the decision to the employee; and coordinate with the employee, supervisor, approving official and NSSC to finalize the effective date, complete SF 3116 (Phased Employment/Phased Retirement Status Elections) and the agreement described in Chapter 6 of this directive, and initiate the appropriate personnel action(s). The HR Director or his/her designee will sign SF 3116 on behalf of the Agency.

e. Once approved, employees shall file a retirement application, in accordance with instructions from the NSSC. The NSSC will validate eligibility and process the employee's phased retirement and forward the required documentation to OPM. The effective date of phased retirement is either the first day of the pay period after the agreement is executed or the first day of a later pay period specified in the agreement between the employee and the approving official.

f. Denied applications must include a written explanation of the reason(s) for denial. Approving officials shall forward disapproved applications with a written explanation of the reason(s) the application was denied to the HRO, who will provide the supervisor and the employee the decision along with the written explanation.

g. A phased retiree from another Agency may continue in phased retirement status when hired into a NASA position, subject to approval by the same level of management delegated to approve any other phased retirement application. Such an individual shall submit for approval a phased retirement application meeting NASA and Center requirements, and execute a phased retirement agreement with the approving official before entering on duty at NASA. The employee is subject to all other requirements of this directive and to any Center procedures or requirements.

Chapter 6. Written Agreements

a. A Phased Retirement Agreement shall be executed before an employee can enter into phased retirement, by the employee and the approving official.

b. The Agreement shall contain all terms and statements in the Agency template (which can be found on the NASA phased retirement web site), including:

- (1) The date the employee's period of phased employment will start and terminate.
- (2) The requirement for a work schedule of 40 hours per pay period, with exceptions limited to the conditions defined in Chapter 7 of this directive.
- (3) The requirement to conduct mentoring activities at least 20 percent of the time, in accordance with the approved mentoring plan, and to record mentoring time in WebTADS.
- (4) A statement that the employee can request the approving official's permission to return to regular employment status prior to the termination date and explain how returning to regular employment status would affect the employee.
- (5) A statement that the employee has a right to elect to fully retire at any time.
- (6) An explanation that when the agreed term of phased employment ends, the employee will be separated from employment and that such separation will be considered voluntary based on the written agreement.
- (7) An explanation that if the employee is separated from phased employment and is not employed within 3 days (i.e., the employee has a break in service of greater than 3 days), the employee will be deemed to have elected full retirement.
- (8) Procedures for requesting extension of the phased retirement period and the maximum total time period for remaining in phased retirement status.

(9) A statement that the employee may accept a new appointment at another agency, before or within 3 days of the expiration of the agreement, and explain how accepting such an appointment as a regular employee would affect the employee.

(10) A statement that the employee will remain subject to the applicable performance system and to all normal workplace rules and expectations, including rules pertaining to outside employment.

(11) A waiver of any right to grieve or appeal to the Merit Systems Protection Board if the employee requests to return to regular employment or to extend the phased retirement period, and this request is denied. No other waivers of complaint rights may be included.

c. An agreement should also include any additional terms or conditions agreed to by the employee and the approving official.

Chapter 7. Hours of Work During Phased Retirement

a. During phased retirement, an employee shall be on a part time schedule of 40 hours per pay period. This schedule shall be established in WebTADS.

b. In rare situations, an authorized official may order or approve a phased retiree to work in excess of the 40 hour work schedule when all of the following conditions are met:

(1) The work is necessary to respond to an emergency posing a significant, immediate, and direct threat to life or property;

(2) There are no other qualified employees available to perform the required work;

(3) The phased retiree is relieved from performing excess work as soon as reasonably possible; and

(4) When an emergency situation can be anticipated in advance, management made advance plans to minimize any necessary excess work by the phased retiree.

c. Approval for a phased retiree to work more than 40 hours in a pay period shall be documented for each applicable pay period, and recorded in advance whenever possible. Documentation shall include the number of additional hours the employee will work in the pay period and a justification that covers all the conditions and factors stated in paragraph 7.b above. The approving official shall retain this documentation for six years and forward a copy to the HRO.

d. An employee in phased retirement status may work under an alternative work schedule, to include the option to earn and use credit hours, in accordance with Center policy and/or any applicable Labor agreement. Phased retirees may not carry over more than 10 credit hours into the next pay period.

e. An employee in phased retirement may earn and use compensatory time off for travel and for religious purposes under existing policy and procedures.

f. Credit hours and compensatory time off earned for travel and religious purposes may be in excess of the 40 hour per pay period schedule; the provisions of paragraphs 7.b and c do not apply.

Chapter 8. Mentoring

a. During phased retirement, employees shall spend at least 20 percent of their hours conducting mentoring activities. Hours spent in mentoring activities shall be recorded in WebTADS using the type hour code “PRM.”

b. Mentoring means activities that transfer the knowledge of the employee in phased retirement to others.

(1) This may include, but is not limited to: direct mentoring of employee’s successor or less experienced staff members; developing/conducting training; and developing operating procedures, policies and guides.

(2) Volunteer activities performed during non-work hours, such as mentoring students in a school or community program, will not count toward the mentoring requirement.

(3) Mentoring of contractors may not interfere with contractual requirements.

c. The employee’s plan and schedule for meeting the mentoring requirement must be included in the application for phased retirement, and must be approved. If the proposed plan includes mentoring individuals outside the employee’s organization, written approval by the other organization will be included in the application.

d. The 20 percent requirement must be met each pay period, unless the employee’s approved mentoring plan provides for completion of the requirement on a different schedule. Such a variation is appropriate only for limited circumstances, such as limited availability of individual(s) who will be mentored or when knowledge sharing includes preparing and conducting formal training classes that are not conducted each pay period. For exceptions, the 20 percent requirement must be met each quarter.

e. An authorized official may waive the mentoring requirement in the event of an emergency or other unusual circumstances (including active duty in the armed forces) that, in the authorized official’s discretion, would make it impracticable for a phased retiree to fulfill the mentoring requirements. The official who waives mentoring requirements must document the circumstances and the period of time for which the mentoring requirement has been waived, and provide this documentation to the HRO for retention.

f. If circumstances prevent the phased retiree from continuing to mentor in the manner defined by the plan in the approved application (e.g., if a defined mentoree leaves the organization), the phased retiree must promptly propose an updated mentoring plan to the supervisor for approval. The 20% mentoring requirement must be met unless waived in accordance with paragraph 8.e. of this directive.

Chapter 9. Approval or Denial of Extensions for Phased Retirement

- a. An extension to the original phased retirement period shall be submitted in writing using the Agency template, through the employee's immediate supervisor and the HRO to the approving official. Extension requests should be submitted at least 60 days before the end date of the initial phased retirement period.
- b. Approving officials may approve extensions when the criteria in Chapter 3, paragraph 3.b. continues to be met and based on assessment of the employee's initial period of phased retirement. The maximum total time an employee may remain in phased retirement status is 3 years.
- c. Approving officials should normally issue a decision within 30 days after a completed request for an extension of the phased retirement period is received by the HRO.
- d. Approving officials shall forward decisions to the HRO for notification and processing.
- e. When an extension is approved, the approving official and employee shall execute a new agreement (or addendum to the initial agreement), prior to the end date of the original phased retirement period. The new or amended agreement will contain the same provisions as the original agreement, to include the employee's commitment to enter full retirement at the end of the approved period.
- f. An extension must be effected before the end date of the original phased retirement period.

Chapter 10. Requests to Return to Regular Employment

- a. Requests to return to regular employment are expected to be rare except when employee is selected for a vacant position through the normal hiring process (e.g., through a vacancy announcement).
- b. An employee, not selected through the normal hiring process, may request to return to regular employment by submitting a written request through the immediate supervisor to the HRO; normally at least 90 days before the end date of the phased retirement period.
- c. Approving officials shall issue a written decision, and provide the decision to the HRO to provide to the employee and process.
- d. A return to regular employment must be effected before the end date of the phased retirement period.
- e. A phased retiree who returns to regular employment is not eligible to return to phased retirement.

Chapter 11. Reconsideration and Grievance Rights

- a. An employee whose application for phased retirement is denied may submit a written request for reconsideration to the HRO within 15 days after receiving the decision. Within 5 days of receipt, the HRO will provide the reconsideration request, along with the original phased

retirement application and decision, to the individual designated by the Center to consider such requests. A written decision will be issued to the employee within 30 days after it is received by the reconsideration deciding official.

b. A phased retiree at another Agency whose application to continue phased retirement at NASA is denied will have no right to reconsideration.

c. Decisions on matters covered by this directive are excluded from the NASA Administrative Grievance Procedure.

d. For a bargaining unit employee, coverage of decisions related to phased retirement are determined by the provisions of the applicable negotiated grievance procedure.

e. Phased Retirement agreements will include a waiver of grievance rights in the event a phased retiree's request to extend the initial period or return to regular employment is denied.

Attachments:

A. Definitions

B. Acronyms

Attachment A. Definitions

Days. When used in this directive, days means calendar days.

Full Retirement. The status of a phased retiree who has ceased employment and is entitled, upon application, to a composite retirement annuity under the Civil Service Retirement System (CSRS) or the Federal Employee Retirement System (FERS).

Mentoring. Activities that transfer the knowledge of the employee in phased retirement to others. This may include, but is not limited to: direct mentoring of employee's successor or less experienced staff members; developing/conducting training; and developing operating procedures, policies and guides.

Phased Employment. The less-than-full-time employment of a phased retiree.

Phased Retiree. A retirement eligible employee who with the concurrence of an authorized approving official, enters phased retirement status and has not entered full retirement status.

Phased Retirement. A new human resource workforce planning tool made possible by 5 U.S.C. § 8336a and 5 U.S.C. § 8412a that allows eligible and approved individuals to continue to work part time and receive a portion of their retirement annuity for a specified period of time.

Phased Retirement Eligibility. Under the CSRS, the individual must be eligible for immediate retirement with at least 30 years of service at age 55, or with 20 years of service at age 60. Under the FERS, the individual must be eligible for immediate retirement with at least 30 years of service at MRA (minimum retirement age 55-57 depending upon year of birth), or with 20 years of service at age 60. For further information, see 5 CFR §§ 831.1711 and 848.201.

Regular Employment. The status of an employee who does not end the period of phased retirement by entering full retirement, but who returns to work status.

Work Schedule. For the purposes of the phased retirement period, the official established 40 hour per pay period part time work schedule of a phased retiree.

B. Acronyms

| | |
|------|---|
| CFR | Code of Federal Regulations |
| CSRS | Civil Service Retirement System |
| FERS | Federal Employee Retirement System |
| OHCM | (NASA) Office of Human Capital Management |
| HRO | (Center) Human Resources Office |
| NID | NASA Interim Directive |
| NSSC | NASA Shared Services Center |
| OPM | Office of Personnel Management |
| NTE | Not to Exceed |
| SF | Standard Form |
| USC | United States Code |