

The Social Security Administration's Rehired Annuitants

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Office of Audit Report Summary

Objective

To compile information in response to a congressional inquiry concerning the Social Security Administration's (SSA) rehiring of Federal annuitants.

Background

SSA, like many other Federal agencies, is facing the loss of its most experienced employees. To address this challenge, agencies are rehiring former employees (annuitants). Generally, an annuitant's salary is subject to a deduction (offset) in the amount of the annuity. However, section 1122 of the *National Defense Authorization Act (NDAA)* for Fiscal Year 2010 gives agencies the authority to temporarily waive this requirement to allow for dual compensation of the salary and annuity. This authority expired in October 2014. However, pending legislation would extend this authority until 2019.

Before NDAA was enacted, SSA received agency-specific waiver authorities from the Office of Personnel Management (OPM) to reemploy annuitants with dual-compensation waivers.

On June 17, 2014, we received a letter from Representative Sam Johnson, Chairman, House Subcommittee on Social Security, Committee on Ways and Means, requesting that we provide information on SSA's annuitants.

Conclusions

As of November 1, 2014, SSA had 1,185 reemployed annuitants on staff. Of these, 136 (11 percent) had a salary offset, and the remaining 1,049 (89 percent) had received waivers for dual compensation. SSA's Deputy Commissioner for Human Resources (DCHR) approves each request for a dual-compensation waiver. Before DCHR's approval of dual compensation, managers must provide written documentation of the annuitant's refusal to accept reemployment without a waiver.

SSA hired most annuitants for front-line, direct service positions, such as a claims representative, technical expert, service representative, processing specialist, or claims authorizer.

NDAA waivers are limited to annuitants who work ". . . for more than 520 hours of service performed by that annuitant during the period ending 6 months following the individual's annuity commencing date . . .," 1,040 hours during any 12-month period, or 3,120 hours total during their reemployment. If training is not the annuitant's primary duty, they may work an additional 520 hours during the reemployment period, for a maximum of 3,640 hours.

SSA has stated that reemploying annuitants fills a specific need that is critical to the Agency. SSA has also stated that, in its experience, very few annuitants are willing to return to work without a dual compensation waiver.

SSA expects annuitants will still be necessary to fill urgent needs and train and mentor approximately 6,000 recently hired new employees. However, over the next few years, SSA expects the use of reemployed annuitants will return to less than 1 percent of the full-time permanent workforce, in line with its historical trends.