



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 18, 2009

S. 629

Part-time Reemployment of Annuitants Act of 2009

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on May 20, 2009*

S. 629 would allow the heads of certain federal agencies to waive provisions of the Civil Service Retirement System (CSRS) and Federal Employee Retirement System (FERS) that apply to the rehiring of federal retirees.

Currently, retirees may be hired to fill any position in the federal government for which they are qualified. In most cases, their salaries are reduced by the amount of their federal retirement annuity; however, agencies may apply to the Office of Personnel Management (OPM) for a waiver of the salary offset to meet exceptional hiring needs. S. 629 would authorize the heads of federal agencies (other than the Department of Defense and the Government Accountability Office) to issue that waiver for employees fulfilling certain needs of the agency on a part-time basis.

When reemployed under a waiver, neither the retiree nor the employing agency make contributions toward retirement on behalf of the employee and no additional retirement benefit may accrue to the employee as a result of reemployment.

CBO assumes that under current law, waivers would be provided by OPM for most eligible employees, so needed positions would be filled even in the absence of this legislation. Currently, there are approximately 1,800 federal retirees reemployed under waivers (excluding the Department of Defense). The bill would primarily reduce the administrative burden of issuing waivers rather than significantly increase the number of retirees reentering the federal workforce. Based on those assumptions, and on specifications outlined in the bill, CBO estimates that S. 629 would not have a significant impact on the federal budget.

S. 629 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Amber Marcellino. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.