



United States Office of Personnel Management
Retirement Services

Benefits Administration Letter

Number: 26-102

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Subject: Reemployed Annuitants and Postal Service Health Benefits (PSHB)

This Benefit Administration Letter (BAL) explains the options for reemployed annuitants who are eligible to enroll, currently enrolled, or have been enrolled in the Postal Service Health Benefits (PSHB) Program, [5 CFR 890 Subpart P](#). This BAL will discuss PSHB choices a reemployed annuitant has when they are rehired and when they separate from their reemployment.

Background

The Postal Service Reform Act (PSRA) signed into law in April 2022, [Public Law 117-108](#), created the PSHB Program, which is a new and separate program within the Federal Employee Health Benefits (FEHB) Program that is administered by the Office of Personnel Management (OPM).

Discussion

Under the PSRA, certain Postal Service employees, annuitants, family members, and survivor annuitants currently enrolled in a FEHB plan were automatically enrolled in a PSHB plan. Enrollees were notified of their new plan in October 2024. The new PSHB plan went into effect on January 1, 2025.

A **reemployed annuitant** is a person who continues to receive a Civil Service Retirement System (CSRS) or Federal Employees' Retirement System (FERS) annuity benefit while at the same time, earning pay as a federal employee.

The rules for annuity, pay, and benefits upon an annuitant's reemployment in the Federal Government vary based on the type of retirement (immediate, discontinued/involuntary, or disability) and the reemployment appointment ([5 CFR 837 Subpart B](#)).

The FEHB or PSHB options available to a reemployed annuitant during reemployment depend on the type of appointment, agency they are reemployed with, and if they choose to participate in premium conversion.

Eligibility for FEHB or PSHB benefits after the period of reemployment depends on how the reemployed annuitant maintains their Health Benefits (HB) during reemployment, the appointment type, length of reemployed service, and whether a supplemental or redetermined is elected.

A **Postal Service annuitant** is an annuitant whose annuity is based on retirement from the United States Postal Service (USPS). For the purposes of the PSRA and the PSHB Program, a Postal Service annuitant is an annuitant enrolled in a HB plan under 5 U.S.C. Chapter 89, whose government contribution is required to be paid by USPS under 5 U.S.C. 8906(g)(2).

A Postal Service annuitant is required to enroll in a HB plan under the PSHB Program, unless they meet one of the following exceptions:

- are reemployed at a non-Postal Service agency as an employee and enrolled in FEHB through their position as an employee,
- covered under a FEHB plan as a family member, or
- qualify for another exception ([5 CFR 890.304\(d\)\(2\)](#)).

A **non-Postal Service annuitant** is an annuitant whose annuity is based on retirement from a non-Postal Service agency. PSRA provisions do not apply to non-Postal Service annuitants, unless they:

- are reemployed at USPS and enrolled in PSHB through their position as an employee, or
- covered under a PSHB plan as a family member.

Upon Rehire

Agencies must notify OPM when an annuitant is reemployed by emailing the “Notification to OPM of Reemployment of Annuitant” and additional required documentation to ReemployedAnnuitant@opm.gov. For more information on notifying OPM about the reemployment of an annuitant, please review [BAL 23-103](#), *Additional Guidance on Sending Information to the Reemployed Annuitant Inbox*, and [BAL 19-107](#), *Processing Change for Handling Reemployed Annuitants*.

When hired into a position that provides HBs, a reemployed annuitant may choose to do one of the following:

- Waive premium conversion to stay enrolled in the same HB plan through their annuity.
 - A reemployed annuitant has up to 60 calendar days to submit a waiver if they do not want to participate in premium conversion.
 - HB premiums will be deducted from their annuity.
- Participate in premium conversion.
 - HB will be transferred from OPM to the employing agency.
 - If a reemployed annuitant is not enrolled in an HB plan, they may enroll in an HB plan as an employee.
 - HB premiums will be deducted from their salary.
 - If a reemployed annuitant enrolls in HBs with the employing agency, resulting in a change from FEHB to PSHB or vice versa, the employing agency should counsel the reemployed annuitant on the effects, if any, the change will have on their HBs at separation.

Upon Separation

Employing agencies are responsible for notifying OPM of the termination of a reemployed annuitant and counselling the reemployed annuitant on their HBs.

Depending on the length of service in the reemployment position, a reemployed annuitant may be eligible for a supplemental or redetermined annuity upon separation from the reemployed position *unless reemployed under a dual compensation waiver*.

If **no additional annuity benefit** is payable:

The agency must send “Notification to OPM of Separation of a reemployed annuitant- No Benefits Payable” form and attach the separation SF-50 with all FEHB/PSHB documentation for the period of reemployment.

- Example: A reemployed annuitant who has a dual compensation waiver.

If a **supplemental annuity** is elected:

The agency must send all FEHB/PSHB documentation for the period of reemployment with supplemental annuity application package.

- When a reemployed annuitant enrolls in HBs as an employee, they may no longer be eligible for the HB Program Plan they were enrolled in during reemployment when they separate. OPM will enroll the annuitant into the Program plan they were enrolled in at the time of their original retirement.
 - Example 1: A non-Postal Service reemployed annuitant reemployed with USPS, enrolled as an employee in a PSHB Plan is no longer eligible to participate in a PSHB plan due to separation. The annuitant would go back to being covered by an FEHB plan upon separation from reemployment.
 - Example 2: A Postal Service reemployed annuitant reemployed with a non-Postal Service agency, enrolled as an employee in a FEHB Plan, is no longer eligible to participate in the FEHB plan due to separation. The annuitant would go back to being enrolled in a PSHB plan upon separation from reemployment.
- A reemployed annuitant who did not meet the 5-year continuous coverage or earliest opportunity to enroll requirement necessary to continue FEHB coverage into retirement based on their original separation, and who now because of their reemployment are able to meet the 5-year continuous coverage or earliest opportunity to enroll requirement, may enroll in the

Program they were covered by immediately preceding their original retirement. FEHB if they retired from a non-postal agency, or PSHB, if they retired from the Postal Service. For example:

- If an annuitant originally retired from the Postal Service, their HB government contribution is paid by the Postal Service. In accordance with [5 U.S.C. 8903c\(a\)\(8\)](#), this individual is eligible only for coverage under the PSHB Program.
- An annuitant who originally separated for retirement from a non-Postal Service agency is only eligible for coverage under the FEHB Program.
- A reemployed annuitant whose HB has been with OPM during reemployment will continue their existing HB plan with OPM.

A **redetermined annuity** is elected:

The agency must send all FEHB/PSHB documentation for the period of reemployment with the annuity application package. *This election can result in a switch between a non-Postal Service and Postal Service annuity, which would change eligibility in a PSHB or FEHB Program plan.*

- A Postal Service annuitant must enroll in a PSHB Program plan unless they are covered under an FEHB plan as a family member or qualify for another exception.
 - An annuitant whose government contribution is paid by the Postal Service as per 5 U.S.C. 8903c(a)(8) is eligible to be covered under the PSHB Program.
 - Example: A non-Postal Service reemployed annuitant reemployed with USPS, elects a redetermined annuity with USPS. This person becomes a Postal Service annuitant and is only eligible for a PSHB Program Plan.
- A non-Postal Service annuitant must enroll in a FEHB plan unless they are covered under a PSHB Program plan as a family member or qualify for another exception.

- An annuitant who is reemployed by a non-Postal Service agency and elects a redetermined annuity would only be eligible for coverage under the FEHB Program.
 - Example: A Postal Service reemployed annuitant reemployed with non-Postal Service agency, elects a redetermined annuity with the non-Postal Service agency. This person becomes a non-Postal Service annuitant and is only eligible for a FEHB Program Plan.

Disability Annuitant - Reemployed

When Annuity Continues

If disability annuity continues during reemployment, the rules for reemployed annuitants (above) apply.

When Annuity Terminates

If the disability annuity is terminated due to OPM finding the annuitant is recovered or restored to earning capacity, then the enrollment in HB is also terminated.

Upon reemployment, the individual may enroll in HB as an employee if the position conveys HB. *Note: Rehiring a FERS disability annuitant on or after age 60 will not cause the disability annuity to terminate, annuity continues.*

Discontinued Service Retirement (DSR) Annuitant

Discontinued service or involuntary retirement provides an immediate annuity for employees who are separated involuntarily. This does not include employees separated for cause on charges of misconduct or delinquency, [CSRS and FERS Handbook, Chapter 44](#).

FERS annuitants who originally retired under DSR provisions and are rehired into a position that conveys HB, rules for reemployed annuitants (above) apply.

CSRS and CSRS Offset annuitants who originally retired under DSR provisions, the annuity will terminate upon reemployment in a covered position.

Upon reemployment, the individual is considered an employee. The individual may enroll in HB as an employee if the position provides HB.

Additional Information

For questions regarding the information in this BAL, please contact the Benefits Officers Development and Outreach group at benefits@opm.gov or call (202) 606-0788.

Sincerely,

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