



FACT SHEET

Disability Retirement

Last Reviewed: May 12, 2018

Background

This fact sheet provides general information on retirement of PHS Officers for physical disability. It does not cover other benefits that may be available for a service-connected disability nor is it intended to be a comprehensive guide.

Eligibility

- ▶ All active-duty PHS officers who meet the requirements for disability retirement specified below are eligible.
- ▶ COSTEP and senior COSTEP participants are excluded.
- ▶ Veterans who become disabled after separation from PHS do not follow the process outlined in this fact sheet. If the disability is service-connected, the former officer may be eligible for disability compensation from the Veterans Administration (VA).

Highlights

▶ **Requirements for Disability Retirement:**

- Fitness-for-Duty (FFD) Determination: An officer is found unfit to perform the duties of his/her grade, category, or office due to one or more physical or mental conditions that are permanent or may become permanent; **AND**
- The condition is service-incurred or -aggravated: Any condition incurred or aggravated while on active duty is considered service-connected, except:
 - “Natural progression” of a preexisting condition
 - When willfully withheld information would have established the preexistence of the disabling condition
 - Any expected disability occurring as a result of necessary treatment of a condition that is neither service-incurred nor –aggravated
 - When incurred as a result of an officer’s misconduct
 - When incurred while absent without leave
 - When incurred as a result of an officer’s willful neglect

▶ **Fitness-for-Duty (FFD) Determination Process**

- A written request for a FFD evaluation may be initiated by the officer, the program official (supervisor), or the director of DCCPR.
- Medical Affairs (MA) requires the following information:
 - The officer’s past three years of medical records (including mental health)
 - Signed “Consent for Release of Medical Information” form
 - Complete list of current medications
 - Narrative from all health care providers summarizing diagnoses, management of condition (s) and prognoses
 - Written statement from the officer giving his or her perspective on the impact the condition(s) has on performance
- A Medical Review Board (MRB) will be convened to assess the officer’s FFD and provide an opinion for final determination. The MRB will provide one of three opinions:

- **Fit-For-Full-Duty:** The officer is expected to perform the duties of his/her grade without significant restrictions; **OR**
- **Fit-For-Limited-Duties:** If the officer and his/her program of assignment concur, the officer may return to duty with limitations as stipulated by the MRB; **OR**
- **Not-Fit-For-Duty:** The officer must be retired or separated, and may be placed on:
 - Separated Without Benefits (e.g., disability not incurred in line of duty)
 - Separated with Severance Pay
 - Temporary Disability Retired List if the officer is expected to return to full duty within 5 years
 - Permanent Disabled Retired List if the officer cannot return to full duty

▶ **Disability Rating**

- Each compensable disability is rated based on the VA Schedule for Rating Disabilities.
- The rating is determined by the severity of officer's disability and uses a complex calculation based on organ systems impacted.

▶ **Retirement Eligibility:**

- If officer has <20 years of creditable service for retirement **AND** <30% of disability, officer must be separated with severance pay (lump-sum payment based on years of active duty without further benefits from PHS), but should apply to VA for possible benefits administered through VA.
- If officer has ≥20 years of creditable service for retirement **OR** ≥30% of combined disability, the officer must be retired with pay (Please see Fact Sheet: Retirement at 20 Years: Basics on Health Care and Disability, for more details).

▶ **Computation of Pay for Officers Permanently or Temporarily Retired**

- The officer has a choice of computing the retired pay based on either percentage of disability or years of creditable service (https://dcp.psc.gov/ccmis/ccis/documents/CCPM23_8_6.pdf). Note that years of service multipliers are different for those officers under the [Blended Retirement System](#).
- All or part of the disability retirement pay may be exempt from federal income tax depending on:
 - Time the officer entered on active duty
 - The cause of the disability
 - The method of computation of pay

Resources

- ▶ General information about PHS disability retirement - https://dcp.psc.gov/ccmis/ccis/documents/CCPM23_8_6.pdf
- ▶ Medical Affairs: https://dcp.psc.gov/ccmis/DCCPR_medical_affairs_m.aspx
- ▶ Medical Review Board: https://dcp.psc.gov/ccmis/ccis/documents/CCPM49_3_1.pdf
- ▶ VA disability compensation information - <http://www.benefits.va.gov/COMPENSATION/types-disability.asp>
- ▶ Veterans Affairs Schedule for Rating Disabilities - <http://www.benefits.va.gov/warms/bookc.asp>
- ▶ Disability Retirement Considerations in Blended Retirement System: https://dcp.psc.gov/ccmis/ccis/documents/CCI_661.03.pdf

Note: Feedback and suggestions for this fact sheet are welcome and may be sent to PPACBenefitsSC@gmail.com.

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