
CSRS / FERS TRANSFER BENEFITS

Annuity Components

CSRS Annuity Computations

Unused Sick Leave

Annuity Factor Charts and Worksheets

Credit for Service

CSRS / FERS Transfer Benefits

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FERS Transfer Computation Credit for Service

The annuity computation for an employee who transferred to FERS and retains a Civil Service component to their annuity will be calculated using both the CSRS computation formula and the FERS computation formula.

CSRS Component of the Annuity

All service performed (except for CSRS Offset service) and unused sick leave* on date of transfer will be entered into the General Formula used to compute CSRS annuities along with the highest 3 year average salary of the entire career (regardless of whether that salary was earned during CSRS service or FERS service). The resulting figure is the CSRS component of the retirement benefit.

CSRS Component

The **CSRS formula** is applied to the years and months of service under CSRS and unused sick leave.

Creditable service under CSRS includes:

- Military service performed prior to date of transfer is credited in the CSRS portion of the annuity and subject to CSRS military deposit rules. To receive credit for post-1956 military service, the employee must make a deposit of 7% of the military base pay earnings, plus interest.
- Refunded service prior to the date of transfer is treated under CSRS rules.
- Non-deduction service prior to date of transfer is subject to CSRS deposit rules.
- * The LESSER of unused sick leave on date of transfer or unused sick leave on date of retirement is credited in the CSRS computation.
- CSRS Cost of Living Adjustments are applied to the CSRS portion of the annuity.

FERS Transfer Computation

(Continued)

FERS Component

FERS Component of the Annuity

All service from date of transfer to date of retirement, plus any CSRS Offset service, is credited in the FERS annuity computation. The resulting figure is the FERS component of the annuity.

The **FERS formula** is applied to the creditable service from date of transfer to date of retirement.

Creditable service under FERS includes:

- Federal civilian service for which contributions have been made or deposited.
- Refunded FERS service if a redeposit of the amount of the refund, plus interest, is paid.
- Military service, subject to a deposit requirement. To receive credit for post-56 military service in the FERS computation, the employee **MUST** make a deposit of 3% of post-56 military base pay, plus applicable interest.
- Unused Sick Leave in excess of that used in the CSRS component of the annuity is credited in the FERS component of the annuity.
- FERS Cost of Living Adjustments will be applied to this FERS portion of the annuity.

The following service is **NOT creditable** for FERS retirement purposes:

- Credit is not allowed for civilian service after 1988 when no FERS contributions are withheld. No deposit option is available for this service.

The CSRS component and the FERS component are combined for the total retirement benefit.

FERS survivor benefits are based on the total combined benefit.

FERS Transfer Computation

Example: FERS Transfer 1988

**Transferred 1988
Retires in 2014 at age 60
38 years of total service**

12 years 1 months CSRS <u> 2 months USL*</u> 12 years 3 months CSRS	26 years 0 months FERS <u> 3 months USL*</u> 26 years 3 months FERS
20.75% of Hi-3	26.25% of Hi-3

Total basic benefit = 47.00% of Hi-3

CSRS COLAs begin immediately	FERS COLAs begin at age 62
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Age 60:	CSRS/FERS Basic Benefit Special Supplement = 26/40 of SS TSP
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Age 62:	CSRS/FERS Basic Benefit Social Security TSP
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*** Unused Sick Leave:**

865 hours USL on date of retirement

345 hours USL on date of transfer = 2 months credit in CSRS component

520 hours USL balance = 3 months credited in FERS component



CSRS Annuity Calculations

Basic Components of the Annuity

The amount of the annuity benefit is based upon:

- High 3 average salary, and
- Length of creditable service and sick leave

General Formula

CSRS General Formula (Basic Annual Benefit):

$$\begin{aligned} & 1.50\% \times \text{“High-3”} \times 5 \text{ years} \\ & + 1.75\% \times \text{“High-3”} \times 5 \text{ years} \\ & + 2.00\% \times \text{“High-3”} \times \# \text{ of years and months of service over 10} \\ & \hline & = \text{Basic CSRS Annuity} \end{aligned}$$

Shortcut Formula

CSRS Shortcut Formula:

$$(\text{Years of service} - 2) \times 2 = \text{Basic Annuity expressed as \% of High-3 (+ .25)}$$

Example: 30 Years of Service

$$\begin{aligned} (30 - 2) \times 2 &= 56\% \text{ of High-3} \\ &+ .25 \\ &= 56.25\% \text{ of High-3} \end{aligned}$$

CSRS Annuity Factor Charts

Refer to the annuity factor charts and worksheets on the following pages to calculate your Civil Service - FERS Transfer retirement.



Unused Sick leave

- FERS Transfer Employees receive credit for the lesser of: amount unused sick leave on date of transfer or amount of unused sickleave on date of retirement in the CSRS calculation.
- The balance of the unused sick leave will be credited in the FERS computation.
- Unused sick leave is computed on the basis of a 2087 hour work year for most federal employees. (Refer to the sick leave conversion chart shown in FERS workbook.)
- Unused sick leave is not included for determining eligibility, but is added to length of service in computing the annuity benefit.

Part-time Service

Part-time Service is service with a pre-arranged, regularly scheduled tour of duty which is less than full-time.

Computation of FERS Transfer Annuity involving part-time service after 4/6/86:

Full credit is granted for part-time service in determining eligibility for retirement. The retirement benefit is reduced for part-time service after 4/6/86 by a ratio of the number of part-time hours to the number of hours the employee would have worked had the employee worked full-time.

Two computations must be performed in computing the CSRS component for an employee whose CSRS service includes part-time employment after 4/6/86.

Computation #1: (Pre-4/7/86 CSRS annuity)

Full-time deemed salary rates for the high-3 years average salary and full-time credit for service through 4/6/86 plus credit for unused sick leave are used in computing the annuity under the General Formula.

Prior to October 28, 2009, actual salary rates (part-time or full-time) were used in the pre-4/7/86 calculation, regardless of the tours of duty worked during that time. The National Defense Authorization Act of 2010 requires that full-time deemed salary rates be used in the pre-4/7/86 calculation.

Computation #2: (Post 4/6/86 CSRS annuity)

Deemed full-time salary rates for service on or after 4/7/86 are used in computing the high-3 average salary. This average salary is then multiplied by the appropriate % in the CSRS General Formula (1.5%, 1.75% or 2%) and full-time factor. This figure is then multiplied by the ratio of post-4/6/86 hours worked (according to tour of duty) to the number of hours the employee would have worked had all post-4/6/86 service been full time.

The results of computations #1 and # 2 are added together to obtain the basic CSRS component.

Computation # 3: (FERS Component)

Deemed full-time salary rates are used in computing the average salary. The retirement benefit is adjusted for part-time service by a ratio of the number of part-time hours to the number of hours the employee would have worked had the employee worked full-time.

Total the CSRS component and the FERS component for the Transfer annuity benefit.

Reductions in Basic Annuity

CSRS Reduction for Age

Annuity is reduced 2% for each year retiree is under age 55, 1/6 percent for each full month under age 55. (This applies to the CSRS portion of a FERS transfer benefit)

FERS Reduction For Age (MRA +10)

Annuity is reduced 5% for each year retiree is under age 62, 5/12 percent for each full month under age 62. (This applies to both the CSRS and the FERS components of a Transfer calculation.)

Reduction for Unpaid Deposit

Non-deduction service prior to 10/1/82 which is credited in a CSRS component: Annuity is reduced by 10% of any unpaid deposit.

Reduction to provide Survivor Benefit

FERS Survivor Reduction: CSRS/FERS basic benefit is reduced by 10% to provide full survivor benefit. Annuity is reduced by 5% to provide partial survivor benefit.

Reduction for Unpaid Redeposit

Annuity is actuarially reduced for unpaid redeposits of CSRS refunds for service which ended before 3/1/91.

CSRS General Formula Computation Chart

Multiply the high-3 average salary by the factor shown under applicable years and months of CSRS service and unused sick leave.

Yrs. of Service	0 Month	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
5	0.075000	0.076458	0.077917	0.079375	0.080833	0.082292	0.083750	0.085208	0.086667	0.088125	0.089583	0.091042
6	.092500	.093958	.095417	.096875	.098333	.099792	.101250	.102708	.104167	.105625	.107083	.108542
7	.110000	.111458	.112917	.114375	.115833	.117292	.118750	.120208	.121667	.123125	.124583	.126042
8	.127500	.128958	.130417	.131875	.133333	.134792	.136250	.137708	.139167	.140625	.142083	.143542
9	.145000	.146458	.147917	.149375	.150833	.152292	.153750	.155208	.156667	.158125	.159583	.161042
10	.162500	.164167	.165833	.167500	.169167	.170833	.172500	.174167	.175833	.177500	.179167	.180833
11	.182500	.184167	.185833	.187500	.189167	.190833	.192500	.194167	.195833	.197500	.199167	.200833
12	.202500	.204167	.205833	.207500	.209167	.210833	.212500	.214167	.215833	.217500	.219167	.220833
13	.222500	.224167	.225833	.227500	.229167	.230833	.232500	.234167	.235833	.237500	.239167	.240833
14	.242500	.244167	.245833	.247500	.249167	.250833	.252500	.254167	.255833	.257500	.259167	.260833
15	.262500	.264167	.265833	.267500	.269167	.270833	.272500	.274167	.275833	.277500	.279167	.280833
16	.282500	.284167	.285833	.287500	.289167	.290833	.292500	.294167	.295833	.297500	.299167	.300833
17	.302500	.304167	.305833	.307500	.309167	.310833	.312500	.314167	.315833	.317500	.319167	.320833
18	.322500	.324167	.325833	.327500	.329167	.330833	.332500	.334167	.335833	.337500	.339167	.340833
19	.342500	.344167	.345833	.347500	.349167	.350833	.352500	.354167	.355833	.357500	.359167	.360833
20	.362500	.364167	.365833	.367500	.369167	.370833	.372500	.374167	.375833	.377500	.379167	.380833
21	.382500	.384167	.385833	.387500	.389167	.390833	.392500	.394167	.395833	.397500	.399167	.400833
22	.402500	.404167	.405833	.407500	.409167	.410833	.412500	.414167	.415833	.417500	.419167	.420833
23	.422500	.424167	.425833	.427500	.429167	.430833	.432500	.434167	.435833	.437500	.439167	.440833
24	.442500	.444167	.445833	.447500	.449167	.450833	.452500	.454167	.455833	.457500	.459167	.460833
25	.462500	.464167	.465833	.467500	.469167	.470833	.472500	.474167	.475833	.477500	.479167	.480833
26	.482500	.484167	.485833	.487500	.489167	.490833	.492500	.494167	.495833	.497500	.499167	.500833
27	.502500	.504167	.505833	.507500	.509167	.510833	.512500	.514167	.515833	.517500	.519167	.520833
28	.522500	.524167	.525833	.527500	.529167	.530833	.532500	.534167	.535833	.537500	.539167	.540833
29	.542500	.544167	.545833	.547500	.549167	.550833	.552500	.554167	.555833	.557500	.559167	.560833
30	.562500	.564167	.565833	.567500	.569167	.570833	.572500	.574167	.575833	.577500	.579167	.580833
31	.582500	.584167	.585833	.587500	.589167	.590833	.592500	.594167	.595833	.597500	.599167	.600833
32	.602500	.604167	.605833	.607500	.609167	.610833	.612500	.614167	.615833	.617500	.619167	.620833
33	.622500	.624167	.625833	.627500	.629167	.630833	.632500	.634167	.635833	.637500	.639167	.640833
34	.642500	.644167	.645833	.647500	.649167	.650833	.652500	.654167	.655833	.657500	.659167	.660833
35	.662500	.664167	.665833	.667500	.669167	.670833	.672500	.674167	.675833	.677500	.679167	.680833
36	.682500	.684167	.685833	.687500	.689167	.690833	.692500	.694167	.695833	.697500	.699167	.700833
37	.702500	.704167	.705833	.707500	.709167	.710833	.712500	.714167	.715833	.717500	.719167	.720833
38	.722500	.724167	.725833	.727500	.729167	.730833	.732500	.734167	.735833	.737500	.739167	.740833
39	.742500	.744167	.745833	.747500	.749167	.750833	.752500	.754167	.755833	.757500	.759167	.760833
40	.762500	.764167	.765833	.767500	.769167	.770833	.772500	.774167	.775833	.777500	.779167	.780833
41	.782500	.784167	.785833	.787500	.789167	.790833	.792500	.794167	.795833	.797500	.799167	.800833

CSRS 2% Age Reduction Chart

(Discontinued Service Retirements and Early Optional Retirements only)

Multiply the unreduced Basic Annuity by the applicable factor to calculate the reduced retirement benefit.

Age at separation and at least one day over	0 Month	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
40_ _ _ _ _	.701667	.703333	.705000	.706667	.708333	.710000	.711667	.713333	.715000	.716667	.718333	.720000
41_ _ _ _ _	.721667	.723333	.725000	.726667	.728333	.730000	.731667	.733333	.735000	.736667	.738333	.740000
42_ _ _ _ _	.741667	.743333	.745000	.746667	.748333	.750000	.751667	.753333	.755000	.756667	.758333	.760000
43_ _ _ _ _	.761667	.763333	.765000	.766667	.768333	.770000	.771667	.773333	.775000	.776667	.778333	.780000
44_ _ _ _ _	.781667	.783333	.785000	.786667	.788333	.790000	.791667	.793333	.795000	.796667	.798333	.800000
45_ _ _ _ _	.801667	.803333	.805000	.806667	.808333	.810000	.811667	.813333	.815000	.816667	.818333	.820000
46_ _ _ _ _	.821667	.823333	.825000	.826667	.828333	.830000	.831667	.833333	.835000	.836667	.838333	.840000
47_ _ _ _ _	.841667	.843333	.845000	.846667	.848333	.850000	.851667	.853333	.855000	.856667	.858333	.860000
48_ _ _ _ _	.861667	.863333	.865000	.866667	.868333	.870000	.871667	.873333	.875000	.876667	.878333	.880000
49_ _ _ _ _	.881667	.883333	.885000	.886667	.888333	.890000	.891667	.893333	.895000	.896667	.898333	.900000
50_ _ _ _ _	.901667	.903333	.905000	.906667	.908333	.910000	.911667	.913333	.915000	.916667	.918333	.920000
51_ _ _ _ _	.921667	.923333	.925000	.926667	.928333	.930000	.931667	.933333	.935000	.936667	.938333	.940000
52_ _ _ _ _	.941667	.943333	.945000	.946667	.948333	.950000	.951667	.953333	.955000	.956667	.958333	.960000
53_ _ _ _ _	.961667	.963333	.965000	.966667	.968333	.970000	.971667	.973333	.975000	.976667	.978333	.980000
54_ _ _ _ _	.981667	.983333	.985000	.986667	.988333	.990000	.991667	.993333	.995000	.996667	.998333	1.000000

CSRS / FERS Transfer Computation Worksheet

	CSRS Component:	
1	Enter Hi-3 Average Salary	\$
2	Multiply by CSRS retirement factor ___years ___months of CSRS service and USL	X.
3	Basic Annual CSRS Benefit	\$
4	Reduction for Age if under age 55: (Early Optional or DSR) Multiply by 2 % reduction factor	X.
5	Basic CSRS Annuity (including any applicable reductions for age)	\$
	FERS Component:	
6	Enter Hi-3 Average Salary	\$
7	Multiply by FERS retirement factor ___years ___months of FERS service	X.
8	Basic FERS Annuity	\$
9	Add lines 5 and 8 for the CSRS/FERS Transfer annuity	\$
10	MRA + 10 Reduction for age: Multiply by 5% reduction factor.	X
11	Basic CSRS / FERS Transfer Benefit (w/out Survivor)	
12	Survivor Reduction <ul style="list-style-type: none"> • Full Survivor benefit - multiply by .90 • Partial Survivor benefit - multiply by .95 • No Survivor benefit - multiply by 1.0 	X.
13	Annual CSRS / FERS Transfer Benefit w/ survivor red.	\$
14	Monthly CSRS / FERS Transfer Benefit	\$
	Survivor Benefit: Enter amount from line 11	\$
15	<ul style="list-style-type: none"> • Full Survivor Benefit - Multiply by .50 • Partial Survivor benefit = Multiply by .25 	X
16	CSRS / FERS Transfer Survivor Benefit	\$
17	Monthly CSRS / FERS Transfer Survivor Benefit	\$

Assumes full-time service.

This does not include reductions for unpaid redeposits and deposits for non-deduction service.

Example: CSRS/FERS Transfer Calculation

Retirement Date: 9/30/14	SCD: 7/6/75	CSRS: 12 yrs. 0 mo. 10 days
Date of Birth: 8/10/56	Xfer: 7/16/87	USL: 2 mo. 24 days
Age: 58 yrs., 1mo., 20 days	485 hours USL XFER	CSRS: 12 yrs. 3 mo. 4 days
Average Salary: \$60,000	<u>513 hours USL @ Ret</u>	FERS: 27 yrs. 2mo. 15 days
	28 hours USL	<u>FERS USL: 5 days</u>
	credited in FERS	FERS: 27 yrs. 2 mo. 20 days

CSRS Component:		
1	Enter Hi-3 Average Salary	\$ 60,000.00
2	Multiply by CSRS retirement factor <u>12</u> years <u>3</u> months of CSRS service and USL	X .207500
3	Basic Annual CSRS Benefit	\$ 12,450.00
4	Reduction for Age if under age 55: (Early Optional or DSR) Multiply by 2 % reduction factor	X N/A
5	Basic CSRS Annuity (including any applicable reductions for age)	\$ 12,450.00
FERS Component:		
6	Enter Hi-3 Average Salary	\$ 60,000.00
7	Multiply by FERS retirement factor <u>27</u> years <u>2</u> months of FERS service and USL credit*	X .271667
8	Basic FERS Annuity	\$ 16,300.02
9	Add lines 5 and 8 for the CSRS/FERS Transfer annuity	\$ 28,750.02
10	MRA + 10 Reduction for age: Multiply by 5% reduction factor.	X N/A
11	Basic CSRS / FERS Transfer Benefit (w/out Survivor)	\$ 28,750.02
12	Survivor Reduction <ul style="list-style-type: none"> • Full Survivor benefit - multiply by .90 • Partial Survivor benefit - multiply by .95 • No Survivor benefit - multiply by 1.0 	X .90
13	Annual CSRS / FERS Transfer Benefit w/ survivor red.	\$ 25,875.02
14	Monthly CSRS / FERS Transfer Benefit	\$ 2,156.00
Survivor Benefit: Enter amount from line 11		\$ 28,750.02
15	<ul style="list-style-type: none"> • Full Survivor Benefit - Multiply by .50 • Partial Survivor benefit = Multiply by .25 	X .50
16	CSRS / FERS Transfer Survivor Benefit	\$ 14,375.01
17	Monthly CSRS/FERS Transfer Survivor Benefit	\$ 1,197.00

Assumes full-time service and does not include reductions for unpaid redeposits and deposits for non-deduction service.

* See page 5 for a discussion of credit for unused sick leave.



Credit for Service

If the period of refunded service or non-deduction service is creditable as FERS service, then the service is treated as FERS non-deduction service, subject to the service credit rules described on pages 6 and 7. Military service credited as FERS service is subject to the 3% post-56 military deposit.

If the period of refunded service, non-deduction service or military is creditable in the CSRS component of the annuity, then the following service credit rules apply.

Refunded Service (CSRS Refund prior to date of Transfer)

- Refunds / Redeposits
- New Redeposit Option (Actuarial Reduction)

Non-deduction Service (CSRS prior to date of Transfer)

- Temporary Service Deposits

Military Service (CSRS component)

- Creditable Military Service
- Military Retirement
- Post-56 Military Deposits

Refunded Service / Redeposit Service

Refunded Service

Refunded Service is Federal civilian service during which Civil Service Retirement contributions were withheld but later refunded to the employee.

Redeposit

Redeposit is repayment of the refund plus interest.

Credit for Refunded Service which ended before 3/1/91

Refunded Service which ended before 3/1/91:

If the redeposit is NOT paid:

- Credit is granted for the service in calculating the annuity benefit.
- The annuity is actuarially reduced using the factor chart below.

If the redeposit is paid:

- Full credit is granted for the service with no reduction.

Monthly Reduction

Redeposit due at retirement Actuarial factor

Actuarial Factors

(Annuities commencing on or after 10/1/2014)

Age at Retirement	Monthly Reduction Factor
51	274.9
52	269.7
53	264.5
54	259.1
55	253.6
56	248.0
57	242.3
58	236.5
59	230.5
60	224.4
61	218.3
62	212.1
63	205.8
64	199.4
65	192.9
66	186.4
67	179.9
68	173.3
69	166.7
70	160.0

Refunded Service / Redeposit Service

(Continued)

Credit for Refunded Service which ended on or after 3/1/91

CSR Refunded Service which ended on or after 3/1/91:

If the redeposit is not paid:

- Full credit is granted for the service in determining eligibility for retirement.
- No credit is granted for the service in the computation of the annuity benefit.

If the redeposit is paid:

- Full credit is granted for the service for eligibility and computation purposes.

Interest Charged on Redeposits and Deposits

The interest charged on redeposits and deposits for CSRS depends upon the date of the refund or the dates of the non-deduction service performed.

3% Interest

If the application for refund was received by the agency or OPM prior to 10/1/82 or if the non-deduction service was performed prior to 10/1/82: Interest is charged at the rate of 3% compounded annually. No interest is charged during periods of separation beginning before 10/1/56.

Variable Interest

If the application for refund was first received by the agency or OPM on or after 10/1/82 or if the CSRS refunded service or the non-deduction service is now credited as

FERS service: Interest is charged at the rate of 3% per year through 12/31/84 and at a variable interest rate beginning 1/1/85. The 2014 variable interest rate is 1.625%.

Variable Interest Rates

1985	13.0%	2000	5.875%
1986	11.125%	2001	6.375%
1987	9.0%	2002	5.5%
1988	8.375%	2003	5.0%
1989	9.125%	2004	3.875%
1990	8.75%	2005	4.375%
1991	8.625%	2006	4.125%
1992	8.125%	2007	4.875%
1993	7.125%	2008	4.375%
1994	6.250%	2009	3.875%
1995	7.00%	2010	3.125%
1996	6.875%	2011	2.75%
1997	6.875%	2012	2.25%
1998	6.75%	2013	1.625%
1999	5.75%	2014	1.625%

Refunded Service/Redeposit Service

(Continued)

Redeposit Example

Albert, Age 56
\$50,000 Average Salary

1980 - 1981 - CSRS Refund	\$1,000 Refund
1981 - 1987 - CSRS	<u>+ 3% interest</u>
1987 - 2014 - FERS	

Redeposit Due: \$2,500

Reduction in annuity: $\frac{\$2,500}{248.0} = \10 per month

Procedures for Payment of Redeposit

Notify Personnel Office of Outstanding Refunds

Personnel Office can provide estimates of redeposit due and annuity reductions.

OPM Notifies Retiring Employees of Redeponds

OPM will send notification of any outstanding redeponds, describe the reduction in annuity and payment procedures along with the first annuity statement.

Employees May Submit Application to Make Redeposit to OPM Prior to Retirement

If more than 6 months from retirement date, an employee may obtain an Application for Service Credit (SF 3108) from Personnel. The employee completes the front and returns SF 3108 to Personnel. The Agency Personnel office will complete form and forward to OPM. OPM will send the bill directly to the employee.

Non-deduction Service

Non-deduction Service

Non-Deduction Service service prior to the date of transfer is credited in the CSRS component of the annuity.

Deposit

Non-deduction service is civilian service during which no Civil Service Retirement contributions were withheld. Non-deduction service which is credited in the CSRS component of the annuity is subject to the following rules.

Credit for Non-deduction Service

The deposit is equal to the amount of money the employee would have contributed to the Civil Service Retirement System had he/she been covered by the CSR Act, plus interest. 3 % interest is charged on non-deduction service performed prior to 10/1/82. Variable interest is charged on non-deduction service performed on or after 10/1/82.

Non-deduction Service Performed before 10/1/82

Credit for non-deduction service for Civil Service Retirement purposes depends upon the dates of the service involved and whether or not a deposit was made to pay for the service.

Non-deduction service performed before 10/1/82:

If a deposit is not paid:

- Full credit is granted for the service for eligibility and computation purposes.
- The annual retirement benefit is reduced by 10% of the unpaid deposit.

If a deposit is paid:

- Full credit is granted for the service for eligibility and computation purposes.
- No reduction is applied to the annuity.

Non-deduction Service Performed on or after 10/1/82

Non-deduction service performed on or after 10/1/82:

* Deposit is subject to Variable Interest.

If a deposit is not paid:

- Credit is granted for eligibility only.
- No credit is granted for computation.

If a deposit is paid:

- Full credit is granted for eligibility and computation purposes.
- No reduction is applied to the annuity.

Procedures for Payment

Deposit Example

Alice, Age 56
\$50,000 Average Salary

1980 - 1981 - Non-deduction Service	\$1,000
1981 - 1987 - CSRS	+ <u>3% interest</u>
1987 - 2014 - FERS	

Deposit Due: \$2,600

Reduction in annuity: \$260 per year

(Note: Survivor annuity will also be reduced for unpaid deposit.)

Procedures for Payment of Deposit

Personnel Office Estimates

The Agency Personnel Office can provide estimates of deposit due and annuity reductions.

Employees May Submit Application to Make Deposit to OPM before Retirement

If more than 6 months from retirement date, an employee may obtain an Application for Service Credit (SF 3108) from Personnel. The employee completes the front and returns SF 3108 to Personnel. The Agency Personnel office will complete form and forward to OPM. OPM will notify the employee of the amounts due. If both deposits and redeposits are involved, the employee should notify OPM that payment should be directed to deposits for non-deduction service before payment of redeposits.

Employees May Submit Application to Make Deposit to OPM with Retirement Application

If employee is within 6 months of retirement, send Application for Service Credit (SF 3108), or a letter requesting information on amount of deposit due to OPM along with the retirement application. OPM will inform retiree of amount due, annuity rates with and without payment and procedures for payment.

OPM Notifies Retiring Employees of Deposits for Non-deduction Service after September 30, 1982

OPM will send notification of any outstanding deposits for non-deduction service performed after September 30, 1982, describe the reduction in annuity and payment procedures prior to final processing of the annuity claim. Note: These deposits are subject to variable interest. No credit is granted for the non-deduction service if the deposit is not paid.

Credit for Civilian Service

Type of Service Retirement Credit	List Dates of Service and Amount of Refund	Calculation of Deposit/Redeposit	Impact on Annuity if Payment is Not Made	Procedures for Payment **
Pre 10/1/82 Non-deduction CSRS		7% (or 6.5%) of earnings, plus 3% interest = \$ _____	Annuity is reduced by 10% of unpaid deposit. -\$ _____/yr = -\$ _____/mo	SF 3108 -> OPM
Post 9/30/82 Non-deduction CSRS		7% of earning plus variable interest. \$ _____	No credit for service in the annuity calculation if deposit is not paid	SF 3108 -> OPM
Pre 10/1/82 CSRS Refund		Refund plus 3% interest. \$ _____	Annuity is actuarially reduced. - \$ _____/month	SF 3108 ->OPM
Post 9/30/82 Pre 3/1/91 CSRS Refund		Refund plus variable interest = \$ _____	Annuity is actuarially reduced. - \$ _____/month	SF 3108 ->OPM
Post 2/28/91 CSRS Refund		Refund plus variable interest. = \$ _____	No credit for service in the annuity calculation if redeposit is not paid	SF 3108 -> OPM
Pre 1989 FERS* Non-deduction service		1.3% of earnings plus variable interest \$ _____	No credit for service if deposit is not paid	SF 3108 -> OPM
Post 1988 FERS* Non-deduction service		No Deposit Option available	No credit for service	No deposit option available
FERS Refund		Refund, plus variable interest.	No credit for service if redeposit is not paid	SF 3108 -> OPM

* This includes Service refunded under CSRS or non-deduction service prior to transfer to FERS which is now being credited as FERS service.

** FERS Transfer employees should submit SF 3108 to pay deposits /redeposits for previous CSRS service even if service is to be credited in CSRS component of annuity.

Credit for Post-56 Military Service (First Employed Under CSRS Before 10/1/82)

Post-56 Deposit is Made If a deposit for post-56 military service is made prior to retirement, post-56 military service (if otherwise creditable service) can be credited for Civil Service component of the annuity, regardless of Social Security entitlement.

Deposit is Not Made If a deposit for post-56 military service is not made prior to retirement, no credit will be given for the post-56 military service in the Civil Service annuity computation IF and WHEN the annuitant becomes eligible for non-disability benefits from the Social Security Administration at age 62, or date of retirement, whichever is later.

Post-56 Military Deposit (Service prior to transfer to FERS)

Deposit Post-56 deposit = 7% of base pay earned during post-56 military service.

Interest No interest is charged if the deposit is paid in full by 9/30/86, or within 3 years of first employment under CSRS, whichever is later. Interest rate is a variable rate set by the Department of the Treasury.

Procedures for Payment of the Post-56 Deposit

Request Base Pay Earnings Obtain Request for Estimated base Pay Earnings from Personnel Office. Send Request for Estimated Base Pay Earnings to the appropriate military pay center along with verification of military service. Response will be sent directly to you in approximately 3 weeks.

Submit Earnings Estimate to Personnel Submit SF 3108, Application to Make Service Credit Payment and SF 3108A, Application to Pay Military Deposit along with estimated earnings to your personnel office. Personnel will calculate the deposit due, plus interest.

Pay Deposit before Retirement You may pay this deposit by check or by payroll deduction. All deposits must be made to the employing office prior to retirement. Fully paid deposits are not refundable.