Civilian Deposits

August 2013
Civilian Deposits
Objectives

• Identify the steps for in processing an application to make deposit
• Explain the effects of not paying a deposit
• Understand and be able to explain how civilian deposits
Making Deposits

• Employees can make deposits for creditable service during which no retirement deductions were made.
• Payment is voluntary.
• Affects the amount of annuity received in most cases.
Deposit For Nondeduction Service

- Any period of creditable civilian service during which retirement deductions are not taken
- Generally, non-career time such as temporary or indefinite service
Deposit For Nondeduction Service

CSRS Service Before 10-01-82

• Creditable for eligibility and computation regardless of whether or not a deposit is paid
• Annual annuity will be reduced by 10% of deposit amount owed if no deposit is paid
Example

Example 1
Deposit For Nondeduction Service

CSRS Service After 10-01-82

• Creditable for eligibility
• Creditable for computation, only if a deposit is paid
Example

Example 2
Service Under Another Federal Retirement System

May be creditable under CSRS if:

• The employee is not receiving a benefit under the other retirement system
• Takes a refund of the deductions under the other system
• Makes a deposit to the CSR fund
Deposit For Nondeduction Service

FERS Service
Prior to 01-01-89

• Creditable only if a deposit is paid
• No credit for eligibility unless a deposit is paid
Example 3
Deposit For Nondeduction Service

FERS Service On or After 01-01-89

• Not Creditable for any purpose
• Employees cannot make a deposit
Deposit For Nondeduction Service

Some Exceptions

• Foreign Service
• Peace Corps/VISTA
• Senate Childcare Workers

(Can make a deposit for nondeduction service performed on or after 01-01-89)
Service Under Another Federal Retirement System

May be creditable under FERS if:

• Service was performed prior to 01-01-89
• The employee is not receiving a benefit under the other retirement system
• Takes a refund of the deductions under the other system
• Makes a deposit of 1.3% plus interest
Service Under Another Federal Retirement System

• Service performed on or after 01-01-89 generally not creditable
• Employee cannot make a deposit

Exception: FSRS
Amount of Deposit

CSRS

The amount that would have been withheld from an employees basic pay, had they been covered by retirement deductions, plus interest
Amount of Deposit

FERS

1.3% of basic pay earned during the period of nondeduction service, plus interest
Important Dates to Remember

10-01-82
01-01-89
Who may make a Deposit

Employees currently covered under

- CSRS
- CSRS Offset
- FERS

Separated employees entitled to an immediate annuity
Who may make a Deposit

• Former employees entitled to a deferred annuity
• Spouse or former spouse of a deceased employee, who is entitled to a survivor benefit
When A Deposit Can Be Made

Anytime prior to final adjudication
Responsibilities

Employee Responsibilities

• Schedule appointment with your Agency Benefits Officer
• Make a decision as to whether or not to make a deposit/redeposit
Responsibilities

Employee Responsibilities

Complete the Application
SF 2803, (CSRS)
SF 3108, (FERS)

Decide on a payment option
Responsibilities

Agency Responsibilities

• Obtain records of service
• Provide estimates of deposit amounts
Responsibilities

Agency Responsibilities

Advise employee of the effect of making a deposit

Provide employee with correct Application
- SF 2803 (CSRS)
- SF 3108 (FERS)
Responsibilities

Agency Responsibilities

• Verify that information on front of application is correct
• Complete reverse side of application
• Note any claimed but unverified service
• Certify the application
• Complete and attach the Checklist to the application
Responsibilities

Agency Responsibilities

Forward Application to:

Office of Personnel Management
Retirement Operations Center
PO Box 45
Boyers PA 16017-0045
Common Delays

• Earnings for intermittent service omitted
• Missing salary rates
• Tour of duty for Part time service not provided
• Date deductions began for current appointment not shown
Address for Payments

OPM
PO Box 952015
St Louis MO  63195-2015

Make sure to include
• CSD number
• Date of birth
Reminder

Do not submit payments until the initial account statement is received from OPM.
OPM Direct Payment Program
PO Box 958241
St Louis MO 63195-8241
Receipt of Account Statement

Once the initial account statement is received:

- Installment payments of $50 or more can be made
- Payment in Full avoids further interest charges
Reminders

Once the payment is received:

• Payment is credited to the individual’s retirement account

• Payment cannot be returned unless the individual meets the eligibility requirements for a refund
Interest on Deposits

3% interest

• Nondeduction service performed prior to 10-01-82

3% through 12-31-84
Variable rate thereafter

• Nondeduction service performed on or after 10-01-82
Grace period for interest

Post 09-30-82 Deposit

Interest is charged through 12-31 of the year prior to the year in which the statement is issued.
Change of Address or Correspondence

OPM
Retirement Operations Center
PO Box 45
Boyers PA 16017

Be sure to include:

• CSD number
• Social Security Number
• Date of Birth
Payment Process

- Payments sent to lockbox at Mercantile Bank in St. Louis
- Bank deposits payments
- Payment info sent to OPM’s Financial Management Division
- Payment info will update account and generate a new statement
Payment Order

Amount due for FERS
Post 09/30/82 redeposit
Pre 10/1/82 redeposit
Post 09/30/82 deposit
Pre 10/01/82 deposit
To change payment order

• Make a note on the Application
• Make the request in writing if an account statement has been sent
• Do not make a payment until an amended statement is received
How long accounts stay open

Billing system was automated
May 1977
May 2006

Accounts computed prior to 05-77:
- Closed if no payments were received

Current accounts stay open until:
- Paid in full
- Applicant separates and requests a refund
- Retires
Request for Information

Verification of previous covered service

Fax request to

OPM/ROC
724.794.4668

Please allow 10-12 working days for reply
Verification of Service

Using Service Credit Process to Verify Federal Service

If an employee’s service can only be established by secondary evidence:

Submit application to OPM for determination of creditability
Verification of Service

If OPM or the agency has advised the employee that the service is not Creditable and the employee asks about formal appeal rights:

Advise the employee to file an Application for a formal determination with reconsideration/appeal rights
Computing Interest on Deposits
Interest on CSRS Deposits

Nondeduction service before 10/1/82

- Computed from midpoint of period of service
- Accrues daily and is compounded annually
- 4% through 12-31-47
- 3% from 1948-date of deposit
Interest on CSRS Deposits

Nondeduction service on or after 10-01-82

- Computed from midpoint of period of service
- Interest accrues annually
- Compounded annually on 12-31 of each year
Interest on CSRS Deposits

Nondeduction service on or after 10-01-82

- 3% through 12-31-84
- Variable rate beginning 01-01-85
- No interest charged for the year in which payment in full is received by 12-31 of that year
Interest on FERS Deposits

Nondeduction service on or after 10-01-82

- 3% through 12-31-84
- Variable rate beginning 01-01-85
- No interest charged for the year in which payment in full is received by 12-31 of that year
Example

Example 5