a New Day for Federal Service

Civilian Redeposits

Civilian Redeposits

Objectives

- Identify the steps for in processing an application to make a redeposit

- Explain the effects of not paying a redeposit

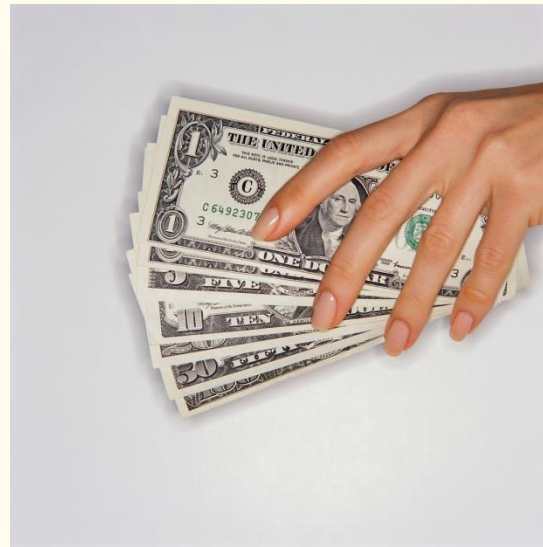- Understand and be able to explain how redeposits are computed

Making Redeposits

- Employees may redeposit CSRS and FERS deductions that were refunded to them during a break in service

- Payment is voluntary

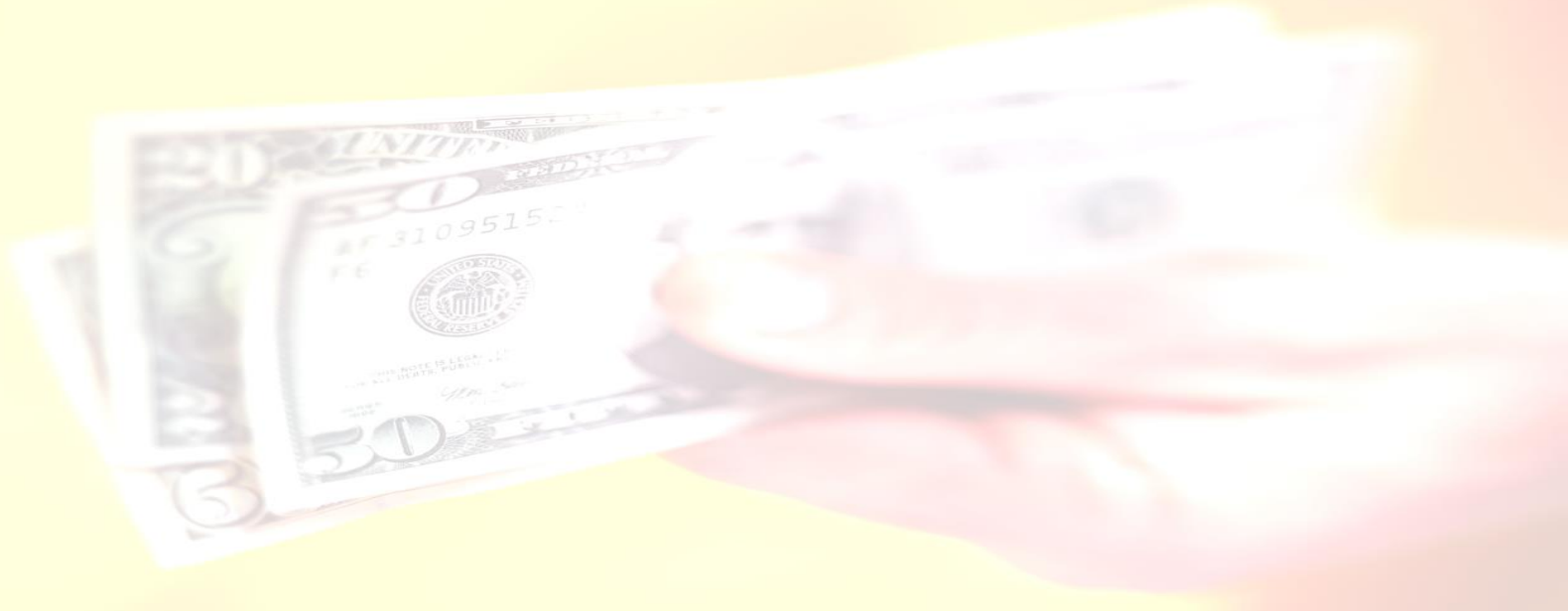- Affects the amount of annuity received in most cases

Redeposit Service

Any period of civilian service for which an employee received a refund and owes a redeposit

Amount of Redeposit

Amount of refund received, plus interest

Refunded Service
(Old Rules)

CSRS refunded service ending before 10-01-90

(for retirements prior to 10-28-2009)

- Generally creditable for eligibility and computation, regardless of whether or not a redeposit was paid

- Annuitants could elect an actuarial reduction in lieu of paying the redeposit

Refunded Service
(Old Rules)

CSRS refunded service ending on or after 10-01-90
(for retirements prior to 10-28-2009)

- Generally creditable for eligibility, regardless of whether or not a redeposit was paid

- Creditable for computation only if a redeposit was paid

Refunded Service
(Old Rules)

FERS
(for retirements prior to 10-28-2009)

- Refunded service was not credible for eligibility or computation purposes if you retired before 10-28-2009

- No redeposit could be made

Redeposit Service
(New Rules)

P. L. 111-84

- Section 1902 now permits actuarial reductions in lieu of cash redeposits for refunds covering periods of service ending prior to 03-01-91

- The amendment applies only to non-disability annuities based on a separation from service occurring on or after 10-28-2009

Redeposit Service
(New Rules)

P. L. 111-84

- Section 1904 permits individuals who are subsequently reemployed to make a redeposit of the amount refunded, plus interest, and to have credit for the service reinstated

- For the purpose of survivor annuities, redeposits may also be made by survivors

Who may make a Redeposit

Employees currently covered under

- CSRS

- CSRS Offset

- FERS

Separated employees entitled to an immediate annuity

Who may make a Redeposit

- Former employees entitled to a deferred annuity

- Spouse or former spouse of a deceased employee, who is entitled to a survivor benefit

When A Redeposit Can Be Made

Anytime prior to final adjudication

Responsibilities

Employee Responsibilities

- Schedule appointment with your Agency Benefits Officer

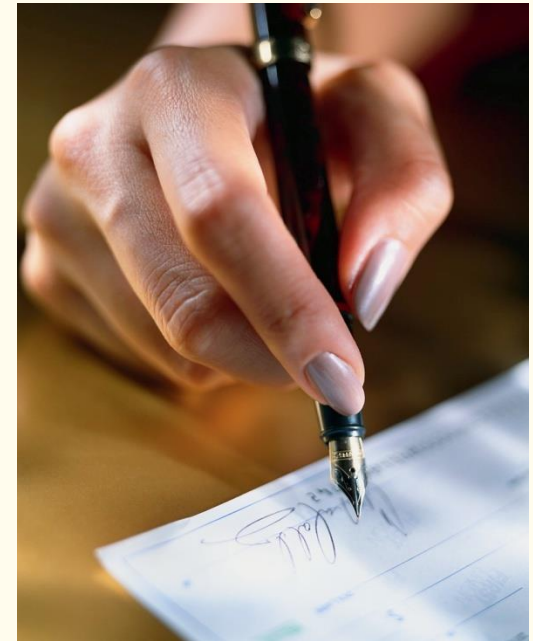- Make a decision as to whether or not to make a redeposit

Responsibilities

Employee Responsibilities

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

Decide on a payment option

Responsibilities

Agency Responsibilities

- Obtain records of service

- Obtain refund information from OPM

- Provide estimates of redeposit amounts

Responsibilities

Agency Responsibilities

Advise employee of the effect of making a redeposit

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

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

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 Redeposits

3% interest

- Refunded service applied for prior to 10-01-82

3% through 12-31-84
Variable rate thereafter

- Refunded service applied for on or after 10-01-82

Grace period for interest

Pre 10-01-82
Redeposit Service

Additional interest accrues at 3% on accounts not paid in full within 30 days

Grace period for interest

Post 09-30-82
Redeposit Service

Interest is charged through 12-31of 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
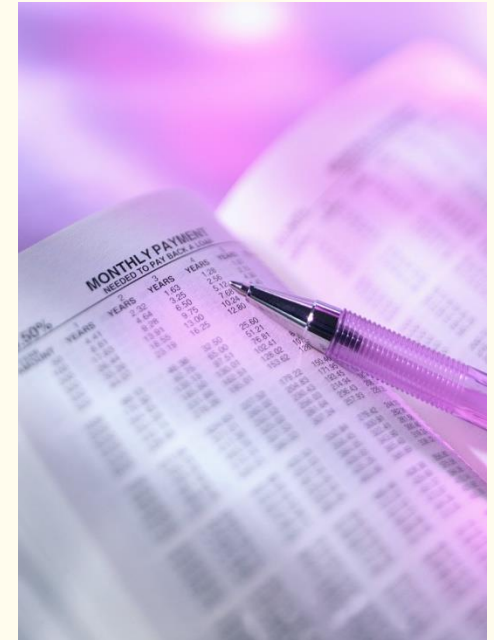- Social Security Number
- Date of Birth

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

Computing Interest on Redeposits

Interest on CSRS Redeposit

Refunded service
Prior to 10-01-82

Computed from date of refund

Accrues daily and is compounded annually

- 4% through 12-31-47
- 3% from 1948-date of deposit

Interest on CSRS Redeposits

Refund Application received on or after 10-01-82

- Computed from date of refund

- Interest accrues annually

- Compounded annually on 12-31 of each year

Interest on CSRS Redeposits

Refund Application received 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