Instructions For Completion of Your Application For Refund of Retirement Deductions - SF 3106

Special Information for Applicant

1. You must complete questions 1 through 14 on the refund application. Additionally, your financial institution(s) must complete the *Certification by Financial Institution or Eligible Employer Plan* found in this package, if you elect to roll over the refund into an individual retirement arrange-ment (IRA) or eligible employer plan. Your current and/or living former spouse(s) must each complete a separate SF 3106A to document notifica-tion of your application if you are or have been married.

2. If you were employed under the Federal Employees Retirement System (FERS) on or after October 28, 2009, you must repay any refund you receive of your FERS deductions in order to receive credit for the service in the computation of your annuity. If you do not repay the refund, the service will be excluded from your annuity computation, but it will still be used to determine your length of service for annuity eligibility purposes.

   If you were not employed under FERS on or after October 28, 2009, payment of a refund of your FERS deductions will ***permanently*** eliminate your retirement rights for the period(s) of FERS service which the refund covers. This includes a refund of any deposit you have paid for military service performed after 1956. You will not be permitted to pay the money back, even if you are later reemployed in the government.
   The service involved cannot be used in computing annuity benefits that you may later become entitled to receive under FERS nor can it be used in determining length of service for annuity eligibility purposes.
   Payment of the refund will end eligibility any former spouse(s) may have to coverage under the Federal Employees Health Benefits Program. Payment of the refund does not, however, affect credit for leave or other non-retirement purposes.

3. A refund of retirement deductions cannot be paid prior to 31 days after the date of separation from a position subject to FERS or the Civil Service Retirement System (CSRS) or within 31 days before the earliest commencing date of any annuity for which you are eligible, including an annuity which must be reduced for age.

   Payment of a refund is prohibited if you are currently employed in a position subject to FERS or CSRS deductions or will be eligible to retire within 31 days from the date of OPM's receipt of the refund application.

4. Interest will be paid on your FERS refund at the same rate earned by government securities if the period(s) of service which the refund covers totals more than one year.

5. For additional information about your benefits if you decide **not** to apply for this re fund, see the booklet FERS (RI 90-1), which is available from your agency.

6. Do not offer this application to a person or a financial institution as collateral or security for a loan. A former employee must apply for a refund personally and payment must be made directly to him or her (except direct rollovers, as described in the Federal Tax Information section). However, outstanding debts to the U.S. Government can, at the Government's request, be withheld from a refund, provided all legal requirements are met.

Transfers to FERS

Completion of this application will authorize OPM to refund all retirement deductions to your credit under both FERS and CSRS. Any interest payable is computed using the rules for the retirement system under which the deductions are credited.

If you have deductions creditable under CSRS and receive a refund, you can pay back the amount of the CSRS deductions plus interest if you are later reemployed in the Federal government. The CSRS service can be used in determining length of service for annuity eligibility even if you do not repay the money. If you want only a refund of your CSRS deductions and not your FERS deductions, attach a signed statement to your completed application.

For additional information, see the FERS Transfer Handbook (RI 90-3) which is available from your agency and on our website at www.opm.gov/retirement-services/publications-forms.

Federal Tax Information

Applicants are permitted to roll over their refund of retirement contributions to an IRA or an eligible employer plan. The actual retirement contributions are not taxable.

However, any interest paid on the contributions is taxable. If OPM pays the interest to you, 20% Federal income tax must be withheld.
If the taxable portion is rolled over, we will not withhold any Federal income tax, unless it is rolled over to a Roth IRA and you elect to have 20% tax withheld on this form. If you roll your whole refund into an IRA, you are responsible for accounting separately for the taxable and non-taxable portions.

If you want to roll your whole refund into an eligible employer plan, you are responsible for selecting a plan that accounts separately for the taxable and non-taxable portions. Please note that the Federal Retirement Thrift Savings Plan will accept the taxable portion of your refund (interest portion),but will not accept the non-taxable portion (actual retirement contributions).

If your refund is less than $200, we are not required to withhold 20% of the interest for Federal income tax and we cannot roll over any of the amount. You can still roll over an amount equal to the refund personally after we send the payment to you.

You must complete Question 13 on the refund application, instructing us how to pay any refund you may be due to receive. Since we cannot tell you how much your refund will be until we receive your application and complete the calculation, you can instruct us to prepare an election form telling you the amount you can roll over (if it is over $200) after we compute the benefit. If you ask for this detailed information, your case will be held until we send and receive your written election, usually a delay of payment of at least 30 days.

If you elect to roll over any portion of the refund into an IRA or eligible employer plan, your financial institution or employer plan must complete the certification found in this package, before we can process your election. Two certification forms are provided, since you can roll your refund over to two different institutions. If you elect to roll over less than 100% of your retirement deductions, the total amount you roll over to any one organization must be at least $500.

More information is given in the Special Tax Notice Regarding Rollovers, found in this package. Consult a qualified tax advisor or the Internal Revenue Service if you need more information on tax matters. OPM cannot provide you with tax publications or tax advice. You should be aware that distributions made from the plan to which the rollover is made may be subject to different restrictions and tax consequences than those that apply to distributions from OPM.

If you do not complete an election, and your refund is $200 or more, we will pay your refund directly to you and will withhold 20% of any interest payable for Federal income tax. You have the option to roll over part or all of the refund yourself within 60 days after you receive the payment. If your refund is less than $200, we will pay your refund directly to you and no tax will be withheld.

Where to File Your Application

1. If you have been separated 30 days or less, this application should be forwarded to the office in which you were last employed. If you need to check on the status of your application, first verify that your former agency has sent it, along with your records, to OPM.

2. If you have been separated more than 30 days, forward this application to the Office of Personnel Management, Federal Employees Retirement System, P.O. Box 45, Boyers, PA 16017-0045.

3. If you want to withdraw your Thrift Savings Plan account balance, ask your agency for information. This is not the form you would use.

Privacy Act Statement

Pursuant to 5 U.S.C.§ 552a(e)(3), this Privacy Act Statement serves to inform you of why OPM is requesting the information on this form. **Authority:** OPM is authorized to collect the information requested on this form by 5 U.S.C., Chapter 83, Section 8334 and Chapter 84, Section 8411. OPM is authorized to collect your Social Security number by Executive Order 9397 (November 22, 1943), as amended by Executive Order 13478 (November 18, 2008).
Purpose: The data you furnish will be used to determine your eligibility to determine your eligibility to receive a refund of retirement deductions. **Routine Uses:** The information requested on this form may be shared externally as a *"routine use"* to other Federal agencies and third-parties when it is necessary to process your application. For example, OPM may share your information with other Federal, state, or local agencies and organizations in order to determine benefits under their programs, to obtain information necessary for determining your eligibility for refund, or to report income for tax purposes. OPM may also share your information with law enforcement agencies if it becomes aware of a violation or potential violation of civil or criminal law. A complete list of the routine uses can be found in the *OPM/CENTRAL 1 Civil Service Retirement and Insurance Records* system of records notice, available at *www.opm.gov/privacy*.
Consequences of Failure to Provide Information: Providing this information to OPM is voluntary. However, if you fail to provide this information, OPM may be unable to determine your eligibility to receive a refund of retirement deductions.

Public Burden Statement

We estimate that this form takes an average of 30 minutes to complete, including the time for reviewing instructions, getting the needed data, and reviewing the completed form. Send comments regarding our estimate or any other aspect of this form, including suggestions for reducing completion time, to the Office of Personnel Management, Retirement Services Publications Team (3206-0170), Washington, D.C. 20415-0001. The OMB Number 3206-0170 is currently valid. OPM may not collect this information, and you are not required to respond, unless this number is displayed.