



Benefits Administration Letter

Number: 12-312

Date: November 2012

Subject: Instructions Regarding Requirement for Agencies' Payments to the Civil Service Retirement and Disability Fund (CSRDF) in FY 2013 for VSIPs and VERAs Processing Costs per P.L. 112-175, "Continuing Appropriations Resolution, 2013"

PURPOSE

Earlier in 2012, the Office of Personnel Management issued BAL 12-302, *New Requirement for Agencies' Payments to the CSRDF in FY 2012 for Voluntary Separation Incentive Payment (VSIP), Voluntary Early Retirement Authority (VERA) Processing Costs per P.L. 112-74, the "Consolidated Appropriations Act, 2012,"* and BAL 12-304, *Instructions Regarding New Requirement for Agencies' Payments to the CSRDF in FY 2012 for VSIPs and VERAs Processing Costs.*

The purpose of this letter is to advise you that payments to the CSRDF for VSIPs and VERAs processing costs are to *continue* per Public Law 112-175, "Continuing Appropriations Resolution, 2013." This BAL provides the FY 2013 remittance amount and instructions on the methods available for your agency to remit payment to the Office of Personnel Management (OPM) for deposit into the CSRDF for VSIPs and VERAs processing costs. For reconciliation purposes, the monies for FY 2012 and for FY 2013 must NOT be commingled.

BACKGROUND

For FY 2013 under the Continuing Resolution (CR), Public Law 112-175, the provisions of Section 741 of Division C of the "Consolidated Appropriations Act, 2012," Public Law 112-74, *still* apply.

Section 741 of Division C of the "Consolidated Appropriations Act, 2012," Public Law 112-74, approved December 23, 2011, includes the following:

SEC. 741. During fiscal year 2012, for each employee who

(1) retires under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code,
or

(2) retires under any other provision of sub-chapter III of chapter 83 or chapter 84 of such title 5 and receives a payment as an incentive to separate, the separating agency shall remit to the Civil Service Retirement and Disability Fund an amount equal to the Office of Personnel Management's average unit cost of processing a retirement claim for the preceding fiscal year. Such amounts shall be available until expended to the Office of Personnel Management and shall be deemed to be an administrative expense under section

8348(a)(1)(B) of title 5, United States Code.

P.L. 112-74 requires agencies to remit to the OPM for deposit into the CSRDF an amount equal to the average unit cost of processing annuity cases if an employee retires under the following conditions:

- 1) A CSRS or FERS Voluntary Early Retirement Authority (VERA), including voluntary early retirements authorized under 5 U.S.C. § 9902, or
- 2) Any other CSRS or FERS provision and receives a Voluntary Separation Incentive Payment (VSIP), or
- 3) Any other form of monetary separation incentive (i.e., any form of buyout).

INSTRUCTIONS FOR AGENCY REMITTANCES IN FY 2013 UNDER THE CR P.L. 112-175 FOR VSIPs and VERAs PROCESSING COSTS

Remittance Amount for FY 2013 Under the CR P.L. 112-175

The statutory requirements under P.L. 112-74 provide that the payments will be in “an amount equal to the Office of Personnel Management's average unit cost of processing a retirement claim for the preceding fiscal year.” The provisions continue “under the authority and conditions” previously applicable because the CR, P.L.112-175, extends the authority for VSIP and VERA processing cost payments into the first six months of FY 2013. The amount for agencies to remit to the Office of Personnel Management (OPM) for deposit into the CSRDF for FY 2013 is an amount equal to the FY 2012 average unit cost of processing annuity cases (\$101.89).

Please Note: We prefer to have individual agencies submit the remittances rather than payroll providers to facilitate the reconciliation of payments. If payroll providers submit payments, it is important that they indicate the ALC(s) and Payroll Office of the agency(ies) for which they are submitting the remittance. Also, there are two new payment methods for non-IPAC users, FEDWIRE and ACH Credit.

Remittances via IPAC

Agencies having access to Treasury's Intra-governmental Payment and Collection (IPAC) Systems must remit \$101.89 per VERA and VSIP case to OPM using the following IPAC parameters:

Agency Location Code (ALC): 24000002

Receiver's Treasury Account Symbol (TAS): AID: 024 Main: 8135 A: X Sub: 000

Receiver's Business Event Type Code (BETC): COLL

Receiver's Standard General Ledger: Debit 1010 and Credit 5400

Description: VERA/VSIP and total amounts applicable to CSRS and FERS respectively.

Point of Contact: Include the name and email address of the person who is familiar with paying the VERA/VSIP costs.

In addition, a scanned copy of the remittance, along with the appropriate Remittance Report, (See Attachments 1A, 1B and 1C) must be sent to the email addresses identified in the “Remittance

Report” section of this BAL.

Remittances via FEDWIRE

Agencies that do not have access to IPAC should remit via FEDWIRE for the amount due. A scanned copy of the remittance, along with the appropriate Remittance Report, must be sent to the email addresses identified in the “Remittance Report” section of this BAL. FEDWIRE instructions are included as Attachment 2.

Remittances via ACH Credit

Agencies that do not have access to IPAC or FEDWIRE should remit via ACH Credit. To validate proof of payment, please submit a scanned copy of the remittance, along with the appropriate Remittance Report, to the email addresses identified in the “Remittance Report” section of this BAL. ACH Credit instructions are included as Attachment 3.

Remittances via Check

Agencies that do not have access to IPAC or EFT should remit a check for the amount due, noting the purpose, e.g., VERA/VSIP. The check, *along with the appropriate Remittance Report*, must be sent to:

**Office of Personnel Management
Attention: FY 2013 VERAs/VSIPs
Post Office Box 582
Washington, DC 20044**

To validate proof of payment, please submit a scanned copy of the remittance, along with the appropriate Remittance Report, to the email addresses identified in the “Remittance Report” section of this BAL.

Payment Timing

Payments, regardless of the method, should be sent no later than 45 calendar days after the end of the month in which the employee retires. Payments should be submitted monthly. For example, payments for retirements between November 1 and November 30, 2012, should be sent by January 14, 2013.

Individual Retirement Records

Agencies must annotate the Individual Retirement Records (SF 2806 and SF 3100) in the remarks column under the “Service History” section with the legal authority for each VERA or VSIP when submitting retirement paperwork.

Remittance Report

All agencies must submit certified Remittance Reports using the Enclosure, which shows the payroll office number(s) and Agency Location Code (ALC) for which the remittance is being sent. Please note – the 3-page Enclosure has separate Remittance Report forms for FY 2013 VERAs, FY 2013 VSIPs, and FY 2013 VERAs with VSIPs. The totals on each Remittance Report must agree with the amount of the IPAC, EFT, or check remittance. OPM will use these reports for

validation purposes to ensure payments have been remitted correctly.

All reports, along with a copy of the remittance, must be emailed to OPM within five (5) business days from the date of the IPAC, EFT, or check remittance using the following email addresses: Priscilla.Holland@opm.gov, with a cc: to FinancialBALs@opm.gov.

Inquiries

If you have any questions about this requirement, please call us on (202) 606-0606 or send an email to FinancialBals@opm.gov.

Sincerely,

Emily Dean
Associate Chief Financial Officer
Financial Services

Attachments: 1A,1B, 1C, 2 & 3