Subject: Instructions Regarding New Requirement for Agencies’ Payments to the CSRDF in FY 2012 for VSIPs and VERAs Processing Costs

PURPOSE

In January 2012, the Office of Personnel Management issued BAL 12-302 - New Requirement for Agencies’ Payments to the Civil Service Retirement and Disability Fund (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,” notifying agencies of this new requirement.

The purpose of this letter is to provide instructions on the method your agency will remit payment in FY 2012 to OPM for deposit into the Civil Service Retirement and Disability Fund for VSIPs and VERAs processing costs.

BACKGROUND

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.
INSTRUCTIONS FOR AGENCY REMITTANCES IN FY 2012
FOR VSIPs and VERAs PROCESSING COSTS

For FY 2012 (retroactively to October 1, 2011), P.L. 112-74 requires agencies to remit to the Office of Personnel Management (OPM) for deposit into the CSRDF an amount equal to the FY 2011 average unit cost of processing annuity cases ($107.62) 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).

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 for which agency(ies) they are submitting.

Remittances via IPAC

Agencies having access to Treasury’s Intra-governmental Payment and Collection (IPAC) Systems must remit $107.62 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 Electronic Funds Transfer (EFT)

Agencies that do not have access to IPAC should remit via EFT for the amount due, noting the purpose, e.g., VERA/VSIP. 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. The EFT information is as follows:

Office of Personnel Management  
Account Number: 5300445258  
ABA Number: 054000030  
Tax ID Number: 52-6083699

**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 2012 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 for retirements between October 1, 2011, and January 31, 2012, are due NLT March 15, 2012. Subsequent payments should be submitted monthly. For example, payments for retirements between February 1 and February 29, 2012, should be sent by April 16, 2012.

**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 2012 VERAs, FY 2012 VSIPs, and FY 2012 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 new 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

Attachment (1A,1B, & 1C)