

**CSRS**

**Civil Service  
Retirement  
System**

# Retirement Facts 3



## Deposits and Redeposits



**United States  
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Personnel  
Management**

**Retirement and  
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Service**

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Additional retirement information and all publications of the U.S. Office of Personnel Management listed in this pamphlet are available on the Internet.

OPM Website — <http://www.opm.gov/asd>

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### ***Deposit Service***

Practically any employment you've had with the Federal Government or the District of Columbia (if first employed by the D.C. Government before October 1, 1987), that was not covered under the Civil Service Retirement System (CSRS), including employment covered by Social Security withholdings, is creditable for retirement purposes, so long as you become covered by CSRS at some later date. A period of service not covered by CSRS is called deposit service. It is called deposit service because you are allowed to pay a monetary deposit for it, either to avoid a reduction in the amount of your annuity or, in some cases, to receive credit for the service at all. Even employment covered by another Federal retirement system (such as the Tennessee Valley Authority, Foreign Service, etc.) is creditable provided you are not receiving any benefits for that time under the other system. Generally you obtain a refund of your contributions under the other system and deposit the refund, with interest, in the Civil Service Retirement and Disability Fund to receive any credit for that period of time.

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### ***Employment Before October 1, 1982***

If you worked for the Federal Government or the District of Columbia prior to October 1, 1982, in positions for which deductions for the Civil Service Retirement System (CSRS) were not made, you will receive limited credit for this service in the computation of your CSRS annuity. Specifically, the period will count when computing your length of service. However, your annuity will be reduced by one-tenth of the amount that you would have paid in to the system plus interest had the service been covered by retirement.

For example, if you entered Federal service under a temporary appointment in July 1973 and paid into Social Security rather than the CSRS until you were converted to a career-conditional appointment in January 1974, you would have a period of deposit service totaling approximately 6 months. If the amount of retirement deductions (7 percent of basic pay at that time) and interest amount to \$840 at the time you retire, your yearly annuity would be reduced by one tenth of the amount due at that time — \$84 a year or \$7 per month. Again, if you make the deposit, there would be no reduction in your annuity.

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### ***Employment After October 1, 1982***

If you worked for the Federal Government or the District of Columbia after October 1, 1982, in positions for which CSRS deductions were not made, you will have to make the required deposit before that service can be used in any annuity computation. (Note: If you were first hired by the District of Columbia on or after October 1, 1987, that service is not creditable under CSRS.) If the deposit is not made, you can still count the time involved for “title purposes” — i.e., for meeting the minimum length of service for an immediate annuity, and for determining “high-3” average salary. However, no credit will be allowed in the computation of the annuity — i.e., the time will not be multiplied by a percentage of your “high-3” average salary.

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### ***Redeposit Service***

Except as explained below, if you are now employed, but later separate from service and receive a refund of your contributions, you must repay that money, plus any applicable interest, before the period of time covered by the refund can be credited in the computation of your annuity benefits. This period of service is called

redeposit service. You must be employed under retirement coverage to apply to make the redeposit, if you received a refund of your retirement deductions.

If you do not make the redeposit, you can still count the time involved for “title purposes,” as explained above, and for determining the “high-3” average salary. However, no credit will be allowed in the computation of the annuity unless you pay the total amount owed by the time you retire, unless the refunded service ended before October 1, 1990 or you are eligible to receive the Alternative Form of Annuity (see Deemed Deposits and Redeposits, below).

If you have received a refund that covers a period of service that ended before October 1, 1990, including employment covered by another Federal retirement system, you will not have to pay the redeposit to receive credit for that service when you retire (except if you retire for disability). Instead, full credit for the refunded service will be allowed in computing your annuity, but the annuity will be actuarially reduced based on your age and the amount of redeposit, including interest, you owe at the time you retire. You can elect to pay the redeposit if you prefer, and avoid the actuarial reduction.

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### ***Periods of Nonpay***

Full credit is given without deposit to the Retirement Fund for periods of furlough or leave without pay that do not exceed 6 months in any calendar year. The entire period of time you are receiving benefits from the Office of Workers’ Compensation Programs due to an on-the-job injury is credited without deposit if you later return to Federal service.

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### ***Interest Rates***

Deposits for service performed before October 1, 1982, and redeposits for refunds applied for prior to October 1, 1982, are subject to an interest rate of 4 percent per year up to December 31, 1947, and an interest rate of 3 percent per year after 1947, compounded annually. Deposit covering employment on or after October 1, 1982, and redeposit of refunds applied for on or after that date, are subject to an interest rate of 3 percent per year through December 31, 1984, and, thereafter, at a yearly rate equivalent to the rate of interest earned by new Retirement Fund investments as determined by the Secretary of the Treasury, compounded annually.

Your application to make either a deposit or redeposit (Standard Form 2803) must be filed with your current personnel office. Staff there will estimate the amount you actually owe and explain further how your future retirement benefits may be affected by any outstanding deposit or redeposit.

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### ***Deemed Deposits and Redeposits***

If you elect to receive the Alternative Form of Annuity when you retire, any unpaid redeposit and most deposits for service that you still owe at that time will be deemed to have been paid. However, this option is now available only if you have a life threatening medical condition. In other words, if you elect the Alternative Form of Annuity, you would not actually have to pay the deposit or redeposit. OPM would simply consider it paid when determining the amount of your creditable service. The deemed deposit/redeposit would also be added to your total lump-sum credit used in determining the amount by which your annuity must be reduced under the Alternative Form of Annuity option.

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### ***Additional Information***

You may obtain copies of the pamphlets listed below from your personnel office, from OPM's Website (<http://www.opm.gov/asd>), or from OPM ONLINE (OPM's electronic bulletin board) at 202-606-4800. To access OPM ONLINE, your communications software should be set to the following:

Baud: Up to 28,800  
Parity: None  
Data bits: 8  
Stop bit: 1

The pamphlets in the Retirement Facts Series, which provide more detailed information about the Civil Service Retirement System (CSRS), are:

- ***Retirement Facts #1*** - The Civil Service Retirement System (RI 83-1)
- ***Retirement Facts #2*** - Military Service Credit Under the Civil Service Retirement System (RI 83-2)
- ***Retirement Facts #3*** - Deposits and Redeposits Under the Civil Service Retirement System (RI 83-3)
- ***Retirement Facts # 4*** - Disability Retirement Under the Civil Service Retirement System (RI 83-4)
- ***Retirement Facts # 5*** - Survivor Benefits Under the Civil Service Retirement System (RI 83-5)
- ***Retirement Facts # 6*** - Early Retirement Under the Civil Service Retirement System (RI 83-6)
- ***Retirement Facts #7***- Computing Retirement Benefits Under the Civil Service Retirement System (RI 83-7)
- ***Retirement Facts #8*** - Credit for Unused Sick Leave Under the Civil Service Retirement System (RI 83-8)
- ***Retirement Facts #9*** - Refunds Under the Civil Service Retirement System (RI 83-9)



- **Retirement Facts #10** - Voluntary Contributions Under the Civil Service Retirement System (RI 83-10)
- **Retirement Facts #11** - Information for Separating Civil Service Retirement System Employees Who Are Not Eligible for an Immediate Annuity (RI 83-13)
- **Retirement Facts #12** - Information About Reemployment for Civil Service Retirement System Annuitants (RI 83-18)
- **Retirement Facts #13** - Civil Service Retirement System Offset Retirement (RI 83-19)
- **Retirement Facts #14** - Law Enforcement and Firefighter Civil Service Retirement System Retirement (RI 83-20)

Pamphlets applicable to employees in both the Civil Service Retirement System and Federal Employees Retirement System are:

- Court-Ordered Benefits for Former Spouses (RI 84-1)
- Work-Related Injuries and Fatalities — What You and Your Family Need to Know About Your Benefits (RI 84-2)
- Life Events and Your Retirement and Insurance Benefits (For Employees) (RI 84-3)
- Thinking About Retirement? (RI 83-11)

Publications for employees who are under the Federal Employees Retirement System (FERS) are:

- FERS Brochure (An Overview of Your Benefits) (RI 90-1)
- **FERS Facts #1** - Information for Separating FERS Employees Who Are Not Eligible for an Immediate Annuity (RI 90-11)
- **FERS Facts #2** - Information About Reemployment for FERS Annuitants (RI 90-18)

For employees who are eligible to transfer to the FERS:

- FERS Transfer Handbook (*A Guide to Making Your Decision*) (RI 90-3)

Pamphlets on the Federal Employees Health and Life Insurance Programs are:

- Temporary Continuation of Coverage (TCC) under the Federal Employees Health Benefits Program (RI 79-27)
- Federal Employees Health Benefits Guide (RI 70-1)
- Federal Employees Group Life Booklet (RI 76-21)

## **Retirement & Insurance Service**



*Serving over 10 million customers, Federal employees,  
annuitants, and their families*