



**Retirement and Insurance Service
 Payroll Office Letter**

Number: P-99-25

Date: November 9, 1999

SUBJECT: CALENDAR YEAR 2000 INTEREST RATE

Pursuant to 5 U.S.C. 8334 (e) (3) the Department of the Treasury has informed the Office of Personnel management (OPM) of the interest rate to be charged for calendar year 2000 on civilian service military deposit accounts. The calendar year 2000 rate is 5.875%.

Interest is charged at a fixed rate of 3% through December 31, 1984. Thereafter, interest is charged at the rate shown below:

CALENDAR YEAR	INTEREST RATE (%)	CALENDAR YEAR	INTEREST RATE (%)
1985	13.000	1993	7.125
1986	11.125	1994	6.250
1987	9.000	1995	7.000
1988	8.375	1996	6.875
1989	9.125	1997	6.875
1990	8.750	1998	6.750
1991	8.625	1999	5.750
1992	8.125	2000	5.875

The variable interest rate applies in the following cases:

- redeposits, if the agency or OPM received the refund application after September 30, 1982;
- deposits for noncontributory service after September 30, 1982;
- deposits for post-1956 military service; and
- interest paid for voluntary contributions.

The fixed interest rate of 3% applies after 1984 in the following cases:

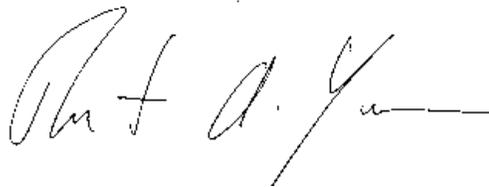
- redeposits, if the agency of OPM received the refund application before October 1, 1982; and
- deposits for noncontributory service performed before October 1, 1982.

Interest **MUST** be assessed if a remittance is not timely. To be considered timely, a remittance must be in the possession of the agency official authorized to collect it by the close of business on the last business day prior to the employee's Interest Accrual Date. For a remittance sent by mail, the date on the postmark does **NOT** constitute receipt.

Comprehensive information about the establishment and maintenance of military service credit accounts, including the calculation of interest, is provided in the Civil Service Retirement System/Federal Employees Retirement System (CSRS/FERS) Handbook Chapters 21 and 23. The Handbook is available on our website at <http://www.opm.gov/asd/htm/HOD.htm>.

A number of agencies have developed programs for use on various platforms (mainframes, personal computers, etc.) enabling agency staff to effectively establish and maintain individual military service credit accounts. We have historically supported these efforts, providing individual agencies the discretion to determine the tools best suited to their needs. In that vein, we want to advise you of the availability of a program entitled MILDEP99.exe that was developed by Robert Benson. Mr. Benson's program can be downloaded from our website at <http://www.opm.gov/asd/htm/mildep.htm>. If you have any questions regarding this program, please call Mr. Benson directly on (614) 692-4183 or email at Robert Benson@DSCC.DLA.MIL.

If you would like to discuss this letter or have any other matter related to the financial administration of the Federal employee benefit programs that you would like to discuss with us, please contact us on (202) 606-0606 or via email, finance@opm.gov.



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