



CSRS/FERS and Other Federal Retirement Systems

Working for America

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT



Message from the President

“It's our responsibility to help people gain the skills and security to make a good living and to look forward to their retirement.”

- George W. Bush



Message from the Director



“As an appointee, my job is to be the head of the Civil Service, to protect it, to advocate on its behalf, and to make sure that, in a crisis, federal employees are taken care of.”

- Kay Coles James

CSRS/FERS And Other Federal Retirement Systems References

- Coverage Determinations Reference: CSRS and FERS Handbook Chapter 12
- Service Credit Reference: CSRS and FERS Handbook Chapter 20
- Listing of Other Federal Retirement Systems and Contacts Handout



Credit for Service

General Rules

- Service performed under certain other Federal retirement systems is creditable for CSRS/FERS retirement provided the employee is not receiving any benefits under another system for the service involved.



Most Common Other Federal Retirement Systems

- Central Intelligence Agency Retirement and Disability System (CIARDS)
- Foreign Service Retirement and Disability System (FSRDS)
- Foreign Service Pension System (FSPS)
- Tennessee Valley Authority Retirement System (TVARS)



Most Common Other Federal Retirement Systems

- Most other Federal retirement systems have versions with Social Security coverage similar to FERS for employees who became subject to Social Security on 1/1/84.
- Example: Foreign Service Pension System (FSPS) includes Social Security coverage and is similar to FERS



Test of Federal Employment

- Service must meet the test of Federal employment under **5 U.S.C. 2105(a)**
 - Appointed in the civil service by a Federal official with authority to make appointment;
 - Engaged in performing a Federal function or duty under authority of an Act of Congress or an Executive Order; and,
 - Supervised by a Federal official while engaged in the performance of duties of his or her position.



Test of Federal Employment

- If there is any question whether the service is creditable, contact your headquarters Retirement Counselor.
- If necessary, the HQ retirement counselor may contact OPM for an advisory opinion.



CSRS/CSRS Offset General Rules – Contributory Plans

- Must take a refund of any deductions under that system and deposit the refund, plus interest, to the CSRS fund.
- Non-disability retirees may receive credit for refunded service **ENDING** prior to 10/1/90 without payment of the deposit.
- Full credit allowed for the service but the annuity will be actuarially reduced.



CSRS/CSRS Offset General Rules – Contributory Plans

- A refund is unnecessary when the employee is retired from another system and has no remaining lump sum credit in that Fund.
- The employee must waive future retired pay under that plan to receive CSRS credit.



CSRS/CSRS Offset General Rules – Contributory Plans

- Some systems, such as the D.C. Police and Firemen’s Retirement System, do not allow waivers.
- In that case, credit for that service may **NOT** be allowed for retirement purposes (if the employee later qualifies for a CSRS annuity, may receive both benefits).



CSRS/CSRS Offset General Rules – Contributory Plans

- A refund is unnecessary if there is an agreement for direct transfer of the funds to OPM.
- OPM currently has agreements for direct funds transfer with the FSRDS and the CIARDS.



CSRS/CSRS Offset General Rules – Non-contributory Plans

- Creditable as optional service, employee may make a deposit to acquire credit.
- Service that occurred prior to 10/1/82 may be allowed without deposit.
- Full credit allowed for service, annuity reduced by 10% of the deposit due.
- The employee must waive future retired pay under that plan to receive CSRS credit.



Tennessee Valley Authority Retirement System (TVARS)

- TVARS was a mandatory contribution retirement system.
- 1996 TVARS eliminated mandatory employee contributions and allowed transfer of funds in the Annuity benefit accounts into their 401(k) plans.
- These actions converted TVARS to a non-contributory system.



Tennessee Valley Authority Retirement System (TVARS)

- Pre-1996 TVARS contributory service is to be treated as contributory service.
- Service in and after 1996 is treated as non-contributory service.
- This policy was not established until 2000. Employees who left TVA from 1996 to 1999 transferred service under the old rules and will be allowed credit accordingly.



TIA/CREF and Federal Employees

- Some Federal employees are covered under TIA/CREF (Uniformed Services University of Health Services, certain UDC employees) and are considered under other Federal retirement systems.
- Service is potentially creditable.
- Changes in creditability rules pending.
- Contact your HQ benefits counselor (who will contact OPM) concerning creditability of service.



FERS General Rules

- CSRS provisions apply if there is a CSRS component to the FERS annuity and service was performed before employee was first subject to FERS.
- The service performed under the other retirement system is included in the CSRS component, subject to the CSRS provisions.



FERS General Rules

- If no CSRS component, only service performed under another Federal retirement system prior to 1/1/89 is creditable towards FERS retirement.
- Employee must take refund from the other retirement system (or otherwise waive benefits) and pay deposit to the FERS fund equal to 1.3% of earnings, plus interest under regular FERS rules.



FERS General Rules Exception

- Service creditable under the FSPS and the Federal Reserve Bank Plan is creditable even if performed after 12/31/88
- Employee must take a refund from that system (or otherwise waive benefits) and pay to the FERS fund a deposit equal to the FERS withholding rate (currently .8% of earnings), plus interest, as provided in 5 USC 8411(b)(4) and (5).



Retirement Coverage Determinations

- When an employee transfers or is rehired after separation from a position subject to another Federal retirement system, a retirement coverage determination must be made.



Retirement Coverage Determinations

- If the employee was **NOT** subject to Social Security while covered under the other Federal retirement system, and was transferred or rehired after a separation of less than one year, to a position not excluded from retirement coverage, then he/she is covered under full CSRS.



Retirement Coverage Determinations

- If a former Federal employee is receiving an annuity from another Federal retirement system (where they were excluded from Social Security coverage) and rehired in a position not excluded from retirement coverage, then he/she is covered under CSRS (not subject to the one-year separation provision).



Retirement Coverage Determinations

- If the employee was subject to Social Security while covered under the other system, or was rehired after a one-year separation, then the **5-year test** must be applied to determine if he/she is automatically covered by FERS.



Retirement Coverage Determinations

- Generally, service performed under another Federal retirement systems is considered creditable Federal service for the **5-year test**.
- The 5-year test is not applicable to employees who have previously been covered by FERS.



5 -Year Test

- The **5-year test** is used to determine if an employee being rehired, transferred, or converted is automatically subject to FERS.
- Applies to all retirement coverage determinations made on or after 1/1/87, where the employee is subject to Social Security.
- An employee who satisfies the 5-year test, cannot be automatically covered by FERS, even though he or she may be excluded from CSRS coverage.



5 -Year Test

- The 5-year test is met if:
- the employee had 5 years of creditable civilian service as of 12/31/86; or,
- if employee had break in service in excess of 3 days ending after 12/31/86, had past coverage under CSRS, Foreign Service Retirement and Disability System (FSRDS) or Federal Reserve Board of Governors Retirement System, **and** also had 5 years of creditable civilian service as of the break in service.



Former Tennessee Valley Authority (TVA) Employees

- TVA employees have been subject to Social Security since 1956.
- Thus, when employing a former TVA employee or retired employee, they will be subject to CSRS Offset if they meet the 5 year test since they were subject to Social Security when employed at TVA.



Processing Steps

- Contact the former Retirement system to verify service, retirement coverage, to establish if the individual has received a refund of contributions, and if they are receiving or will be entitled to receive a benefit.



Processing Steps

- If the employee is receiving a benefit, find out if the plan allows waiver of the benefit, if there is a balance of contributions, and if the employee has waived benefits.
- Discuss the employee's options with him/her concerning deposit, redeposit, transfer of funds, and waiver of benefits, as appropriate.



Processing Steps

- Determine service credit and retirement coverage.
- Again, if there is any question whether the service is creditable, contact your headquarters Retirement Counselor.
- If necessary, the retirement counselor may contact OPM for an advisory opinion.



DOD & Coast Guard Nonappropriated Fund (NAF) Retirement Plans

- The rules concerning retirement credit and coverage determinations for DOD and Coast Guard Non-appropriated Fund employees differ greatly from the general provisions for service under other Federal retirement plans.
- Several BAL's have been issued on NAF provisions.



CSRS Retirement Claims Processing at OPM

- Upon receipt of a retirement claim involving service under another Federal retirement system, we must determine:
- if the service is creditable Federal service,
- if the other system was contributory or non-contributory, and,
- if benefits payable under that system have been waived.



Contributory Systems

- We determine if contributions have been transmitted to OPM by the other system.
- If not, we determine if the employee has received a refund of the contributions (or advise him/her to do so).
- We determine if a redeposit payment has already been made.



Contributory Systems

- In non-disability claims, if the refund was for service ending before 10/1/90, the service is credited without payment of a redeposit but the monthly annuity is actuarially reduced.
- When the claim is adjudicated, we advise the annuitant of the amount due and the effect of payment of the redeposit.



Contributory Systems

- If redeposit has been made, full credit is allowed for the service.
- If the refund was for service ending after 9/30/90, or in disability cases, the redeposit must be paid to receive service credit.
- We will advise annuitant of the amount due and the effect of payment before final adjudication.



Non-contributory Systems

- If the retiree will not be receiving benefits from the system, credit is allowed like any other non-contributory service.
- Service performed prior to 10/1/82 is allowed full credit, but the annuity is reduced.
- If deposit is paid, full credit, without reduction is allowed.



Non-contributory Systems

- For service performed after 9/30/82, the deposit must be paid to receive credit for the period of service.
- We will advise the annuitant of the amount due and the effect of payment on his/her annuity before final adjudication.



Claims Development

- If any information is missing regarding this service, such as refund dates and amounts, or pay rates and effective dates for non-contributory service, we contact the last employing agency for information that may be found in OPF.



Claims Development

- If insufficient information is available from the last employing agency (OPF), we contact the other retirement system's personnel and payroll offices to find if records are maintained for that period of service.
- Credit for the service cannot be given unless we have the required data.



FERS Retirement Claims Processing at OPM

- FERS claim processing entails the same principles as CSRS processing.
- If service under the other system is part of the CSRS component (5 years of civilian service creditable under CSRS prior to election of FERS) , all of the CSRS procedures apply to that service.



Service Under FERS

- Service which is creditable under FERS (no CSRS component) performed under another system performed before 1/1/89 requires a refund from that system or waiver of benefits if non-contributory, and payment of a deposit to the retirement fund of 1.3 percent of earnings plus interest under the regular FERS provisions.



Service Under FERS

- We will advise the annuitant of the amount due and the effect of payment on his/her annuity before final adjudication.



Service Under FERS

- Service performed under another system after 1/1/89 cannot be credited.
- The only exceptions are service creditable under the Foreign Service Pension System (FSPS) or the Federal Reserve System (Bank Plan).



Service Under FERS

- Service performed under these systems is creditable if a refund is taken from that system and payment of a deposit to the retirement fund of the prevailing FERS withholding rate (currently .8%) of earnings plus interest under the regular FERS provisions.



Service Under FERS

- We will advise the annuitant of the amount due and the effect of payment on his/her annuity before final adjudication.



Conclusion

- We have covered the basic principles of crediting service under another Federal retirement system and making retirement coverage determinations.
- We have discussed how both CSRS and FERS claims involving such service are processed at OPM.



Contact Information

For more information,
visit us on the web at
www.OPM.gov/benefits

Phil Gardner, 202-606-4399
Email: Phillip.Gardner@opm.gov



Other Federal Retirement Systems and Contacts

This is a listing of other Federal retirement systems, plan information and contacts. It is not complete. It will be updated and added to the CSRS and FERS Handbook.

- . Central Intelligence Agency Retirement and Disability System
Covered Employees: All
Participation: Compulsory
Employee Contributions: 7% of pay

Central Intelligence Agency Retirement and Disability System
1-800-648-5693

- . Director of Administrative Office of the U.S. Courts Retirement Plan
Covered Employees: Director
Participation: Elective
Employee Contributions: None, 4.5% of pay for survivor coverage

Administrative Office of U.S. Courts
Human Resources Division
Judges Compensation and Benefit Branch
Attn: Peter McCabe, Assistant Director
Suite 4-180
1 Columbus Circle, NE
Washington, DC 20544
202-502-1800
peter_mccabe@ao.uscourts.gov

- . Director of Federal Judicial Center Retirement System
Covered Employees: Director
Participation: Elective
Employee Contributions: None, 4.5% of pay for survivor coverage

Federal Judicial Center
Office of the Director
Honorable Rya W. Zobel, Director
Suite 6-100
1 Columbus Circle, NE
Washington, DC 20002
202-502-4000

Other Federal Retirement Systems and Contacts

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Federal Judiciary Retirement System
Covered Employees: All Bankruptcy Judges and Magistrates
Participation: Compulsory
Employee Contributions: None, 4.5% of pay for survivor coverage

Administrative Office of U.S. Courts
Human Resources Division
Judges Compensation and Benefit Branch
Attn: Peter McCabe, Assistant Director
Suite 4-180
1 Columbus Circle, NE
Washington, DC 20544
202-502-1800
peter_mccabe@ao.uscourts.gov

Federal Reserve Board Employee Benefit System
Covered Employees: All
Participation: Compulsory
Employee Contributions: Board employees – 7% of pay, Bank employees - none

Federal Reserve Board Employee Benefit System
Beverly Stirling-Eskow, Retirement Counselor
20th Street and Constitution Avenue, NW
Washington, DC 20551
202-452-2976
202-721-4597 Fax
Beverly.s.eskow@frb.gov

Foreign Service Pension System
Foreign Service Retirement and Disability System
Covered Employees: All
Participation: Compulsory
Employee Contributions: 7% of pay

Foreign Service Retirement and Disability System
Department of State
Lendora Moon, Benefits Specialist
Room 620 SA-1
2401 E Street, NW
Washington, DC 20522
202-261-8960
202-261-8988 Fax
moonlm@state.gov

Other Federal Retirement Systems and Contacts

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System for Policemen and Firemen of the District of Columbia
Covered Employees: Secret Service agents and U.S. Park Police
Participation:
Employee Contributions:

Office of Financial Management
Pay and Retirement Division
410 E Street, NW.
Washington, DC 20001
202-727-5258

System for Public School Teachers of the District of Columbia
Covered Employees:
Participation:
Employee Contributions:

Office of Financial Management
Pay and Retirement Division
410 E Street, NW.
Washington, DC 20001
202-727-5258

Teachers Insurance Annuity Association/College Retirement Equities Fund
(TIAA/CREF) Retirement System
Covered Employees: Faculty members of the Uniformed Services University of
the Health Services
Participation: Compulsory
Employee Contributions: 5% of pay

TIAA/CREF Retirement System
730 Third Avenue
New York, NY 10017-3206
1-800-842-2776
www.tiaa-cref.org

Other Federal Retirement Systems and Contacts

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- . Tennessee Valley Authority Retirement System
Covered Employees: All
Participation: Compulsory
Employee Contributions: 3% of pay thru 12/31/95, 1/1/96 - None

Tennessee Valley Authority Retirement System
Sally Weber, Retirement Counselor
400 W Summitt Hill Drive
Knoxville TN 37902
865-632-2343
865-632-8591
Srweber@tva.gov

U.S. Presidents Retirement System
Covered Employees: U.S. Presidents
Participation: Compulsory
Employee Contributions: None

- . U.S. Tax Court Judges Retirement System
Covered Employees: Judges
Participation: Elective
Employee Contributions: None, 3 1/2% of pay for survivor coverage

U.S. Tax Court Judges Retirement System
Vincent Natale, Retirement Counselor
Room 146
400 Second St, NW
Washington DC 20217
202-606-8724
202-606-8870 Fax
personnel_ofc@ustaxcourt.gov