

FERS Creditable Civilian Service

Overview

Generally, "creditable service" is service that counts toward the period of service needed to establish retirement eligibility, compute retirement benefits, and determine retirement coverage. All service performed in the Executive, Legislative, and Judicial branches of the Federal Government is potentially creditable for retirement purposes.

Potentially creditable civilian service includes:

- Service covered by FERS, FERS-RAE, FERS-FRAE or CSRS retirement deductions;
- Service not covered by retirement deductions (such as service in a temporary appointment, otherwise known as Deposit Service) that occurred before 01/01/1989;
- Service performed with the Peace Corps or VISTA and service under the Foreign Service and CIA retirement systems;
- Service specifically made creditable by statute.

Generally, the type of appointment or work schedule does not determine if service is creditable. Normally, credit is allowed for all service performed between date of appointment and date of separation. In certain cases, a payment must be made for the service to be creditable for retirement purposes.

Leave Without Pay (LWOP)

Full service credit is given for all periods of leave without pay (LWOP) that do not exceed 6 months in a calendar year. For example, if you were on LWOP from January 1st through December 31st, you would receive 6 months credit for that year. No deposit is required.

There are special provisions governing credit for periods of LWOP when the employee is on LWOP-US (military furlough) or on LWOP and receiving workers' compensation benefits from

the Office of Workers' Compensation Programs (OWCP).

Time Spent Receiving Workers' Compensation Benefits

If you are carried on the agency's rolls in a leave-without-pay (LWOP) status while receiving workers' compensation benefits, the entire period of LWOP is creditable for retirement purposes (such periods of LWOP are not subject to the limitation of 6 months per calendar year). A deposit is not required to receive credit for the service.

If you are separated from the agency's rolls while receiving worker's compensation benefits, the period of separation is fully creditable for retirement purposes if you are reemployed in the Federal service and establish title to an annuity.

Part-Time Service

Part-time service is any civilian service (including service under a temporary appointment) that is less than full time, as long as the appointment describes a regularly scheduled tour of duty (e.g., 40 hours bi-weekly). If you go on leave without pay (LWOP) following a period of part-time service, the LWOP (up to 6 months in a calendar year) also is treated as part-time service. The tour of duty you have when you enter a LWOP status is the tour of duty used for the period of LWOP. Intermittent service is not considered part-time service because it does not specify a pre-scheduled tour of duty.

Part-time service is credited as full-time service for computing length of service for eligibility to retire. For example, if you work 20 hours a week for 2 years, you will receive credit for 2 years toward retirement eligibility.

However, the FERS basic annuity is prorated based on the amount of part-time service actually performed. Thus, if you work 20 hours a week during your last year of employment, you

will receive only 6 months credit for annuity computation purposes (since only half of the year was actually worked).

Intermittent Service

Intermittent service is performed when an employee is not full time and does not have a prearranged regularly scheduled tour of duty. Employees under a when-actually-employed (WAE) appointment have an intermittent work schedule.

Credit for intermittent service is given only for the days or hours actually worked. This is true for both eligibility to retire and for annuity computation purposes.

For service performed before 03/01/1986 credit is based on a 2,080 hour (or 260-day) work year. Effective 03/01/1986, credit is based on a 2,087 hour work year.

Deposit Service

FERS deposit service is any period of Federal civilian service performed before 01/01/1989, during which FERS retirement deductions were not withheld from your pay. Generally, this would be service under temporary and WAE appointments. It also includes Peace Corps and VISTA service no matter when it was performed.

The amount of a FERS deposit equals 1.3% of the basic pay earned during the period of deposit service, plus interest. Interest on FERS deposits is charged at the variable interest rate.

If you pay the FERS deposit, you will receive full credit for the period(s) of deposit service. If you do not pay the deposit, the service is not creditable for retirement eligibility or annuity computation purposes.

If you want to pay a FERS deposit, you must obtain the SF 3108, Application to Make Service Credit Payment, from your HR Office. Return the completed SF 3108 to your HR Office. The form will be certified and forwarded to the Office of Personnel Management (OPM). OPM calculates the amount of deposit, and sends you a

statement of what you owe. You must send payment(s) directly to OPM, and payments must be completed before your retirement is fully adjudicated.

If potentially creditable deposit service is unpaid at retirement, OPM will give you the opportunity to make the payment while they are processing your retirement claim prior to adjudication.

Redeposit Service

FERS redeposit service is Federal civilian service during which FERS, FERS-RAE, or FERS-FRAE retirement deductions were withheld from your pay, but later refunded after you separated from Federal employment. FERS redeposit service also includes service where CSRS retirement deductions were withheld but later refunded to you upon separation from Federal employment, for a period of service that was less than 5 years. Upon reemployment under FERS, FERS-RAE, or FERS-FRAE in a covered position, unpaid refunded FERS service is creditable for retirement eligibility only. To be creditable for both retirement eligibility and computation purposes, a FERS redeposit must be paid.

For refunded FERS service, the amount of the redeposit equals the amount of the refund(s) you received, plus interest. For refunded CSRS service now subject to FERS rules, the amount of redeposit due is 1.3% of the basic pay earned during the period of service, plus interest. Interest is charged at the variable interest rate.

If you pay the redeposit, you will receive full credit for the period of refunded service in your retirement annuity. If you do not pay the redeposit, you will receive credit for retirement eligibility purposes only.

If you want to find out what you owe for a period(s) of redeposit service, you must obtain the SF3108, Application to Make Service Credit Payment, from your Human Resources Office. Upon completion of the form, submit it to your Human Resources Office who will certify the information and submit it to the Office of

Personnel Management (OPM). OPM then calculates the amount of the redeposit and sends you a statement of what you owe. If you elect to pay the redeposit(s), you must send payment(s) directly to OPM, and payments must be completed before your retirement is fully adjudicated.

If redeposit service is unpaid at retirement, OPM will give you the opportunity to make the payment while they are processing your retirement claim prior to adjudication.

Submitting the Application to Make Service Credit Payment for a deposit or redeposit does not obligate you to make the deposit or redeposit.

CSRS Component for Employees who Transfer to FERS

If you transfer from CSRS to FERS after completing at least 5 years of creditable civilian service as of the date of transfer, you will have a CSRS component in your FERS annuity. All civilian and military service included in the CSRS component are credited and computed under CSRS rules. Although creditable military service performed before date of transfer may be included in the CSRS component, it MAY NOT be used to meet the 5-year minimum service requirement.

In determining whether or not you have a CSRS component, include CSRS and Social Security only service prior to date of transfer. CSRS Interim and CSRS Offset service are not included in the CSRS component; upon transfer, Interim and Offset service become part of the FERS component.

Crediting civilian service that was performed before the effective date of transfer and that was subject to either CSRS or Social Security, but not a combination of both, depends on the length of such service.

If the total amount of these two types of service performed before the effective date of the election of FERS is:

- Less than 5 years, then the service is creditable under FERS for computation purposes;
- 5 or more years, then the service is credited under CSRS provisions for computation purposes (that is, you would be entitled to a CSRS component in your FERS annuity).