

<p style="text-align: center;">EMPLOYEE HANDOUT Creditable Civilian Service Federal Employees Retirement System (FERS)</p>

Most federal civilian employment and military service can be used in determining whether an employee meets the length of service requirements and in computing an annuity. An individual will be required to make a deposit to get credit for his or her military non-covered service and certain civilian appointments. An individual can also receive credit for periods of Leave Without Pay (LWOP) for up to six months in a calendar year.

The 2010 National Defense Authorization Act (NDAA) provides for a change in law to allow refunded FERS service to be repaid and be creditable for retirement. FERS refunded service is creditable for eligibility regardless of whether the redeposit is made. Actuarial reductions do not apply. If an individual was employed under FERS on or after October 28, 2009, they can pay a civilian redeposit for any period of service under FERS for which a refund of retirement deductions were received.

Rules on crediting non-covered civilian appointments and military service can be found in the following sections.

1. FULL-TIME SERVICE

Normally full-time credit for retirement eligibility and annuity computation is allowed for all time elapsing between the date of covered appointment and date of separation.

2. PART-TIME SERVICE

Full-time credit is given for retirement eligibility. Annuity computation is prorated to reflect the difference between part-time and full-time service.

3. INTERMITTENT OR WHEN ACTUALLY EMPLOYED (WAE)

Service is credited only for the time actually worked. Actual days worked is always based on a 260-day work year regardless of the dates of the service. Actual hours worked prior to March 1, 1986, is based on a 2080-hour work year and actual hours worked on/after March 1, 1986 are based on a 2087-hour work year.

4. LEAVE WITHOUT PAY (LWOP)

Credit is given for all LWOP up to six months in a calendar year. (No deposit is required).

5. OFFICE OF WORKERS' COMPENSATION (OWCP) TIME

All time while receiving Workers' Compensation benefits and LWOP is fully creditable for retirement eligibility and annuity computation. The **Six-month rule does not apply.** (No deposit required for period of LWOP). After separation from your agency, time spent in receipt of OWCP benefits is fully creditable for retirement eligibility and annuity computation. The employee must return to Federal service in a covered position, and earns title to a new annuity benefit. (No deposit required for period of separation).

Employees with a full-time appointment who also receive OWCP benefits and who work part of the day and are approved for LWOP for part of the day will be given full-time credit. However, if an employee is not under a full-time appointment (e.g., part-time flexible or limited tour), the usual part-time rules apply. (Hatch v. OPM 100 M.S.P.R. 204(2005))

6. ACTIVE DUTY MILITARY SERVICE UNDER Uniformed Services Employment and Reemployment Rights Act (USERRA)

Active duty military service (title 10 or title 32) that interrupts civilian service if the employee was properly restored on or after August 1, 1990, is creditable only with a military deposit. Under USERRA, the amount of the deposit is the lesser of the amount of retirement contributions employee would have made had he or she not been on active duty military service or 3% of military earnings while on active duty service (including any applicable interest).

7. DEPOSIT (NON-DEDUCTION) SERVICE

Non-deduction service performed before January 1, 1989, is creditable for both retirement eligibility and annuity computation if deposit is paid. No credit allowed if non-deduction service is performed on or after January 1, 1989.

8. REDEPOSIT (REFUNDED) SERVICE

Refunded retirement contributions of FERS service is creditable for both retirement eligibility and annuity computation, if the redeposit is paid. The redeposit will be the amount refunded, plus interest.

Employees who have service covered by CSRS for which contributions were refunded before the employee was first covered under FERS may make Payments or a redeposit to credit this type of service. Employees who elect to transfer to FERS may receive an annuity computed partly under FERS rules and partly under CSRS rules.

9. INTERIM OR OFFSET SERVICE

CSRS Interim is a version of CSRS established pending the creation of FERS. It was a temporary system. This applies to first hired employees and certain rehires hired after December 31, 1983 and before January 1, 1987. CSRS Offset is a continuation of CSRS Interim and affects employees who had a break in CSRS covered service of at least 365 days and who had at least 5 years of creditable civilian service by December 31, 1986 or at last separation if after December 31, 1986. **Interim and Offset service is fully creditable** for retirement eligibility and annuity computation if covered by retirement deductions or deposit has been made. Interim and Offset service for employees who later become covered under FERS is calculated under FERS rules.

10. CSRS COMPONENT

If an individual has Five (5) or more years of creditable civilian (CSRS only or FICA only) service as of the effective date of a transfer to FERS, then component service is calculated using CSRS rules.

11. CSRS SERVICE THAT IS NOT PART OF A CSRS COMPONENT

Service is fully creditable for retirement eligibility and annuity computation if covered by retirement deductions or a deposit or redeposit has been made. Service is calculated under FERS rules.