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Subject: Retirement Credit for Prior Service

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TAGS: APER, AMGT
Subject: Retirement Credit for Prior Service

1. Your total length of creditable service is a basic factor in determining when you are eligible to retire and in computing your annuity benefit. If you had federal civilian or military service prior to joining the Department of State, you can increase your Foreign Service or Civil Service pension by obtaining credit for that service.

2. Employees must apply for prior service credit for retirement purposes -- a process that is distinct from the process by which prior service time is automatically added to a new employee's Service Computation Date (SCD) for leave accrual purposes. The SCD listed on SF-50 forms is for leave purposes. Your retirement SCD is a different date if you had prior service for which you have not applied for retirement credit. Where applicable, please follow the steps outlined in this message to make sure that your retirement SCD is accurate and properly documented.

3. In most cases, prior service credit is obtained by making a deposit to cover the employee retirement contributions (plus interest) that were not made originally. While no deposit is required to transfer Civil Service retirement credit to the Foreign Service retirement fund (or vice versa), the employee must proactively request that transfer of funds (see below under Credit for Civilian service). Civil Service employees who have worked at several agencies do not need to apply to combine those retirement contributions, however they do need to ensure that documentation of the prior employment is in their Department of State Official

Personnel File (see below under Credit for Civilian service).

4. Eligible employees are encouraged to obtain credit for their prior service long before they plan to retire, especially if they plan to retire voluntarily at first eligibility. The process -- which usually requires action by either a military pay center (DFAS), the Office of Personnel Management (OPM), or the National Archive's National Personnel Records Center -- can take six or more months. In most cases, delaying to apply increases the interest charges that the employee must pay.

5. Starting the process to buy back prior service credit does not obligate the employee to finalize the process by paying. Instead, the employee can make that decision after the Office of Retirement (HR/RET) has calculated the repayment charge and explained how the repayment would affect the annuity.

Credit for Military Service

6. In general, all military service is potentially creditable when the individual served on active duty and received an honorable discharge. Inactive service in the reserves is not creditable, but active service during annual two-week training periods is creditable. If an employee has already been awarded military retirement pay based on a 20 year military retirement, the military service is not creditable for civilian retirement unless the recipient waives the military retired pay and pays a service deposit. However, an individual who is awarded military retirement pay at age 60 based on service in the reserves can keep the military retirement pay and still receive credit in their civilian creditable service for the periods of active duty (a service deposit is required). Additionally, service at a military academy is eligible for credit even if the employee is receiving retired military pay.

7. To apply for credit for prior military service, employees must first obtain a record of their military pay history from the pay center of their former branch of service. To do so, go to www.opm.gov and type "RI 20-97" in the search box. Fill out the form RI 20-97 (Estimated Earnings During Military Service) online and then print and sign it. Near the top of the form is a link to a list of military pay offices. On that site, you will find the address for your former branch of service. Send the signed RI 20-97 along with your DD-214 or other documentation of service to that address. Employees who do not have their DD-214 must first obtain a copy by sending a form SF-180 to their former military records center.

8. Once the military pay center has completed the RI 20-97, the employee should submit it along with their DD-214 or other documentation of service to HR/RET by scanning and emailing it to HRSC@state.gov. Civil Service employees in the FERS retirement system must also submit form SF-3108. HR/RET will determine what deposit the employee needs to make (3 percent of military base pay, plus interest) and inform the employee how and where to

pay it. Once the employee completes the deposit, HR/RET will update the employee's records to show the added creditable service.

Credit for Civilian Service

9. Most types of prior permanent federal civilian appointments qualify for retirement credit, including service as a Peace Corps or VISTA volunteer. Periods of service under a personal service contract (PSC) or personal services agreement usually do not qualify for retirement credit, nor does work in Intermittent No Work Scheduled (INWS) status under the Family Member Appointment (FMA). Special rules apply in other unusual circumstances, so inform HR/RET of all prior service.

10. To receive retirement credit, employees should first ensure that documentation (usually, SF-50s) of any previous federal employment showing their dates of service is on file in the administrative section of their Official Personnel File (accessible via eOPF on the HR Portal). If the eOPF is incomplete, employees should send a copy of the prior agency documentation to U.S. Department of State, Records and Information Management Division, HR/EX/RIM, SA-1 H-804, 2401 E Street, NW, Washington, DC 20522-0108, FAX 202-663-1862, for scanning into the employee's eOPF. If an employee does not have a copy of the prior agency documentation, e-mail opf@state.gov to request that HR/EX/RIM obtains the prior service records from the previous agency or the National Archive's National Personnel Records Center.

11. For employees covered under a Civil Service retirement plan prior to being appointed to the Foreign Service (or vice versa), there is no need to make an additional deposit for that credit (unless you received a refund of your retirement fund contributions) -- however paperwork must be done to transfer funds between the two retirement accounts. To request the transfer, employees should e-mail HRSC@state.gov stating that you wish to have your Civil Service retirement funds transferred to the Foreign Service pension fund (or vice versa). The process of transferring funds can take months to complete, so it is best to initiate the process at least one year prior to retirement.

12. Employees who received a refund of retirement contributions made during prior federal service but who now wish to redeposit that amount may need to repay that money with interest in order for that service to be creditable for computing their annuity. Please e-mail HRSC@state.gov to initiate a review the specifics of the case by HR/RET.

13. Below are the application procedures for buying back credit for civilian service that was not subject to withholding. They differ according to which retirement plan the employee is in:

--FSPS: Employees in the Foreign Service Pension System may buy back credit for prior civilian service that was not subject to withholding only if that service occurred prior to 1989 or was Peace Corps or VISTA service anytime.

To apply for credit, e-mail HRSC@state.gov. HR/RET will determine what deposit the employee needs to make (3 percent of the prior basic pay, plus interest) and will explain how to make that payment. Once the deposit is made, the employee's records will be updated to show the added creditable service.

--FSRDS: Employees in the Foreign Service Retirement and Disability System who performed prior civilian service during which no retirement deductions were withheld may buy back credit. To apply for credit, e-mail HRSC@state.gov. HR/RET will determine if the employee needs to make a deposit (usually 7 percent of the prior basic pay, plus interest) and will explain how to make that payment. Once the deposit is made, the employee's records will be updated to show the added creditable service.

--FERS: Civil Service employees in the Federal Employees Retirement System may buy back credit for prior civilian service only if it occurred prior to 1989 or was Peace Corps or VISTA service anytime. To apply for credit, e-mail Form SF-3108 to HRSC@state.gov. HR/RET will determine what deposit the employee needs to make (3 percent of the prior basic pay, plus interest) and will explain how to make that payment. Payment is made to OPM which may take some time to notify the employee that the process has been completed. Once the deposit is made, the employee's records will be updated to show the added creditable service.

--CSRS: Civil Service employees in the Civil Service Retirement System who performed prior civilian service during which no retirement deductions were withheld, may buy back credit. To apply for credit, e-mail Form SF-2803 to HRSC@state.gov. HR/RET will determine if the employee needs to make a deposit (usually 7 percent of the prior basic pay, plus interest) and will explain how to make that payment. Payment is made to OPM which may take some time to notify the employee that the process has been completed. Once the deposit is made, the employee's records will be updated to show the added creditable service.

Additional Information

14. For more information on prior service credit, click on the "Information" tab in EBIS (retirement) on the HR Portal. If questions remain after reviewing that information, please e-mail HRSC@state.gov or call 1-866-300-7419.

15. Minimize considered.

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