

For: FFAS Employees

**Interest Rates for Civilian and Military Service Credit Deposits**

Approved by: Acting Deputy Administrator, Management



**1 Credit Service Deposits**

**A**

**Purpose**

This notice provides updated interest rates for civilian and military service credit deposits. These rates apply to the CSRS and FERS Retirement Systems.

**B**

**Definition of Deposit**

A deposit is a sum of money that is paid into the retirement fund, plus interest by an employee, to cover a period of service during which FERS or CSRS retirement deductions were not withheld from pay. This includes temporary employment, intermittent/WAE service, and Peace Corps Volunteer Service.

**C**

**Definition of Redeposit**

Redeposit is a sum of money paid into the retirement fund, plus interest by an employee, to cover a period of service during which CSRS retirement deductions were withheld and later refunded to the employee after separation from Federal service. A refund for FERS service may not be repaid nor can refunded FERS service be credited for future retirement purposes.

**D**

**Definition of Military Deposit**

Military deposit is the amount of money required to receive credit for title and annuity computation purposes for active duty military service performed after December 31, 1956.

<b>Disposal Date</b>	<b>Distribution</b>
January 1, 2000	All FAS, FSA, and RMA employees, State Offices relay to County Offices

**Notice PM-2095**

**2 Interest Rates**

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**A  
1999 Interest  
Rate**

The variable interest rate for 1999 is 5.750 percent.

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**B  
Prior Interest  
Rates**

Following are the interest rates for prior years.

<b>Year</b>	<b>Interest Rate (Percent)</b>
Before 1948	4
1948 to 1984	3
1985	13
1986	11.125
1987	9
1988	8.375
1989	9.125
1990	8.75
1991	8.625
1992	8.125
1993	7.125
1994	6.250
1995	7
1996	6.875
1997	6.875
1998	6.750

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**3 Affect on Service or Annuity**

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**A**

**Nonpayment of Service Credit Payments**

Nonpayment of service credit payments can have an affect on determining eligibility for retirement and in computing the annuity. FERS employees **must** pay deposits for nondeduction service before January 1, 1989, and post-56 military service to receive retirement credit for that service.

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**B**

**Action Required**

To obtain additional information about how application of interest and service credit payments may affect your service or annuity, contact the appropriate office as follows.

<b>Office</b>	<b>Contact</b>
<ul style="list-style-type: none"> <li>• National Office</li> <li>• RSO's</li> <li>• Compliance Field Offices, except Kansas City Office</li> <li>• FAS Overseas Offices</li> </ul>	HRD, Performance Management, Benefits and Awards Branch, 202-418-9021, 202-418-9039, or TDD 202-418-9116
Caribbean Area Office	Administrative Office, 809-729-6872
County Offices	State Administrative Officer
<ul style="list-style-type: none"> <li>• KCMO</li> <li>• KCCO</li> <li>• Kansas City Compliance Field Office</li> <li>• RMA RDD</li> <li>• State Offices</li> <li>• APFO</li> <li>• St. Louis Finance Office</li> </ul>	KCMO, Personnel Division, Employee and Labor Relations Branch, 816-926-6643 or 816-926-6148

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