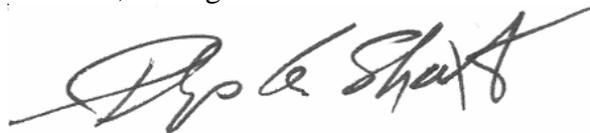


For: FFAS Employees

**2011 Interest Rates for Service Credit Deposits and Redeposits**

Approved by: Deputy Administrator, Management



**1 Overview**

**A Purpose**

This notice:

- provides interest rates that apply to civilian and military service credit deposits for CSRS and FERS
- defines deposits, redeposits, and post-56 military deposits
- reminds employees that deposits can be made at any time during the employee’s career or at time of retirement.

**B Definition of Deposit**

Deposit means 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 salary. This includes temporary Federal and county employment, intermittent/when actually employed (WAE) service, and Peace Corps volunteer service.

**C Definition of Redeposit**

Redeposit means a sum of money repaid into the retirement fund plus interest, by an employee, to cover a period of service during which CSRS or FERS retirement deductions were withheld and later refunded to employee after a separation from Federal or county service.

| <b>Disposal Date</b> | <b>Distribution</b>  |
|----------------------|--|
| December 1, 2011     | All FAS, FSA, and RMA employees; State Offices relay to County Offices |

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### 1 Overview (Continued)

#### D Definition of Post-56 Military Deposit

Post-56 military deposit means an amount of money required to receive credit for eligibility and annuity computation purposes, for active military service, performed after December 31, 1956. The deposit amount is based on earnings during the military service that are certified by the military.

### 2 Interest Rates

#### A 2011 Interest Rate

The variable interest rate for 2011 is **2.75 percent**.

#### B Prior Interest Rates

Following are the interest rates for prior years.

| <b>Calendar Year</b> | <b>Interest Rate (Percent)</b> |
|----------------------|--------------------------------|
| Before 1948          | 4.0                            |
| 1948 to 1984         | 3.0                            |
| 1985                 | 13.0                           |
| 1986                 | 11.125                         |
| 1987                 | 9.0                            |
| 1988                 | 8.375                          |
| 1989                 | 9.125                          |
| 1990                 | 8.750                          |
| 1991                 | 8.625                          |
| 1992                 | 8.125                          |
| 1993                 | 7.125                          |
| 1994                 | 6.250                          |
| 1995                 | 7.0                            |
| 1996                 | 6.875                          |
| 1997                 | 6.875                          |
| 1998                 | 6.750                          |
| 1999                 | 5.750                          |
| 2000                 | 5.875                          |
| 2001                 | 6.375                          |
| 2002                 | 5.500                          |
| 2003                 | 5.0                            |
| 2004                 | 3.875                          |
| 2005                 | 4.375                          |
| 2006                 | 4.125                          |
| 2007                 | 4.875                          |
| 2008                 | 4.750                          |
| 2009                 | 3.875                          |
| 2010                 | 3.125                          |

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### 3 Effect of Deposits on FERS Service and Annuity

#### A Nonpayment of Deposit for Service Credit under FERS

If a FERS-covered employee fails to make a credit service deposit, the service will **not** be used when determining eligibility for retirement or in computing of the amount of annuity. FERS employees **must** pay deposits for nondeduction service, performed before January 1, 1989, any prior refunded service, and post-56 active duty military service to receive credit for that service.

**Note:** Temporary service performed after January 1, 1989, is **not** creditable for FERS under any circumstances.

Employees can apply to make deposits/redeposits at any time during their career or at time of retirement. Interest continues to accrue on the unpaid balance of deposits until they are paid in-full or the employee retires.

Post-56 military deposits **must** be paid in full to the Agency before an employee's separation. Post-56 military deposits **cannot** be paid directly to OPM after retirement.

#### B Action Required

To obtain additional information about how deposit or redeposit service may affect employee's annuity, or to find how to apply to make service credit payments, contact employee's SPO according to the following table.

| IF located in...   | THEN contact...  |
|--|--|
| <ul style="list-style-type: none"><li>• FSA, FAS, and RMA Washington, DC, National Offices</li><li>• RMA Regional and Compliance Offices, <b>except</b> Kansas City</li><li>• FAS overseas posts</li></ul> | Darla Hensley, HRD, Employee / Labor Relations and Benefits Branch, by telephone at 202-401-0681.  |
| FSA State or County Offices  | State administrative officer.  |
| FSA and RMA Kansas City, St. Louis, and APFO Offices   | either of the following in HRD, Employee / Labor Relations and Benefits Branch: <ul style="list-style-type: none"><li>• Dana Candler by telephone at 816-926-6117</li><li>• Patricia Gepford by telephone at 816-926-6259.</li></ul> |