

HRSC East Employee Benefits Update

Crediting Military Service Toward Civil Service Retirement System (CSRS) Benefits

Unless you are retired military, honorable active duty military service performed before 1 January 1957 is creditable for CSRS retirement purposes. If you want to credit military service performed after 31 December 1956 (post-1956 military service) toward CSRS retirement, you must meet the regulatory requirements described below. The requirements for crediting post-1956 military service for CSRS retirement depend upon the date you were first employed under CSRS.

IF YOU WERE FIRST EMPLOYED UNDER CSRS BEFORE 1 OCTOBER 1982

If you were first employed under CSRS prior to 1 October 1982, eligibility to receive Social Security benefits at age 62 determines what rules apply to your post-1956 service. The Social Security Administration can advise you regarding your eligibility to receive Social Security benefits at age 62.

If you will be eligible for Social Security at age 62 you have two options:

1. You can make a deposit for post-1956 service and the service will be used for retirement eligibility and annuity calculations and avoid a reduction at age 62; or
2. You can decide not to make a deposit for post-1956 service and the service will be used for retirement eligibility and annuity calculations only until age 62. At age 62 this service will be deducted from your total years of service and your CSRS annuity will be recalculated based only on your years of civilian service. This is commonly referred to as "catch 62" since it affects retirees at age 62.

If you will not be eligible for Social Security at age 62 and you were first employed under CSRS before 1 October 1982, you do not need to make a deposit for post-1956 military service. Post-1956 military service will be used to meet length of service requirements for CSRS retirement eligibility and monthly retirement annuity benefits. At age 62 there will be no reduction in your CSRS annuity.

If you die as an employee, your surviving spouse will have the option to make a deposit for your military service for purposes of calculation of survivor benefits.

IF YOU WERE FIRST EMPLOYED UNDER CSRS ON OR AFTER 1 OCTOBER 1982

If you were first employed under CSRS on or after 1 October 1982, eligibility for Social Security benefits at age 62 is not a factor. A deposit is always required to credit post-1956 military service toward CSRS retirement length of service requirements and monthly retirement annuity computations. If you do not make a deposit, you will receive no credit for either purpose.

If you die as an employee, your surviving spouse must make a deposit for your post-1956 military service to have the service credited in the computation of the survivor benefit.

IF YOU ARE RETIRED FROM MILITARY SERVICE

You must waive your retired military pay to credit the military service toward CSRS retirement unless you were awarded the retired pay:

1. Because of a service-connected disability either incurred in combat with an enemy of the United States or caused by an instrumentality of war and incurred in the line of duty during a period of war, or
2. Under the provisions of Chapter 67, Title 10, U.S.C. (pertaining to retirement from a reserve component of the Armed Forces).

If your military retirement is based on one of these exceptions, you may make a deposit for post-1956 military service and will not be required to waive your retired military pay.

If you make a deposit for post-1956 military service and decide not to waive your retired military pay, you may request a refund of the post-1956 payments from the Office of Personnel Management (OPM) at the time of your separation.

PROCEDURES TO MAKE A DEPOSIT FOR MILITARY SERVICE

To receive credit for post-1956 military service toward CSRS retirement, the following procedures should be followed:

1. **Request Military Earnings.** Since military basic pay is the basis for determining deposit amounts, you should request a statement of military earnings from your military finance center. The statement of earnings will facilitate other decisions in the future (e.g., unanticipated retirement and survivor benefit claims). You can request a statement of military earnings by completing an OPM form RI 20-97, Estimated Earnings During Military Service and sending it to the appropriate military finance center. All DD-214s, Report of Transfer or Discharge must be attached to the request. If you request an earnings statement, this does not obligate you to make a deposit.

2. **Request an Estimate of the Deposit Amount.** Once you receive the earnings statement from the finance center, send it to the HRSC East and we will provide you with an estimate of the amount of deposit that will be required to credit the military service. The amount of deposit required is 7% of the military base pay earned during the post-1956 service, plus interest. (Exception: For periods of military service performed during 1999 the deposit equals 7.25% of base pay. For periods of military service performed during 2000 the deposit equals 7.40% of base pay. This exception is based on the increase in retirement contributions contained in the Balanced Budget Act of 1997, Public Law 105-33.) Interest began on 1 October 1985, or two years after you were first hired in a CSRS covered position, whichever is later. Interest is computed at a variable interest rate and no interest is actually charged if the deposit is completed before the end of the year after interest begins.

3. **Complete Application.** When you decide that you want to make a deposit complete a SF-2803, CSRS Application To Make Deposit or Redeposit and send to your servicing Defense Finance Accounting Service (DFAS) office.

4. **Make Deposit.** DFAS will contact you regarding the amount of deposit and interest that you owe and provide you with information regarding payment plans. You may make the deposit in a lump sum payment or request that installment payments of no less than \$25 each be withheld from your

paycheck. Interest keeps accruing on the unpaid balance until the deposit is paid in full. You must complete the deposit before OPM finalizes your retirement application. When you have paid the deposit in full, you will receive a receipt from DFAS. You should forward a copy of the receipt to the HRSC East to be filed in your Official Personnel Folder.

ADDITIONAL INFORMATION

If you have any questions regarding crediting post-1956 military service toward CSRS retirement benefits please contact the HRSC East on the Benefits Line at 1-888-320-2917 during the hours of 7:30 AM to 4:30 PM, Monday through Friday. The Benefits Line is an Interactive Voice Response System (IVRS). Instructions for using the Benefits Line are attached. You may also e-mail the Retirement and Benefits Division anytime at Benefits_east@east.hroc.navy.mil.

HOW TO ACCESS THE HRSC EAST BENEFITS LINE INTERACTIVE VOICE RESPONSE SYSTEM (IVRS)

1. The telephone number for the HRSC IVRS is 1-888-320-2917. This number is available 24 hours a day. Benefits counselors are available to answer questions from 0730 – 1630 EST, Monday through Friday.
2. From the menu options select 2 – Benefits and Entitlement Services System
3. From the menu options select 1 – Current Navy serviced employees
4. From the menu options select 1 to enter Social Security Number and PIN or 2 if you have forgotten your PIN. If you have previously created a PIN in the Employee Benefits Information System (EBIS), this will be your PIN for the Benefits Line.

If you select 1, the system will ask you to enter your social security number and PIN. Listen carefully; the system will tell you if it's looking for a four-digit or six-digit PIN.

The first time you access the automated system, your PIN will be a four-digit number equivalent to your month and year of birth, for example, June 1960 will be 0660.

The system will then require you to change your PIN to a six-digit number of your choice, as long as it meets the DoD security guidelines voiced in the system. This six-digit PIN will continue to be your PIN until you change it.

If this is not your first time accessing the automated system, your PIN should be a six-digit number that you personally selected.

If you select 2, the system will allow you to reset your PIN to a new six-digit numeric code of your choice. You must provide your social security number, date of birth, service computation date for leave, civilian pay plan, grade, and step before you reset your PIN. This information is available from your Leave and Earnings Statement (LES), or a copy of your SF-50, Notification of Personnel Action. Once the system verifies this information, it will ask you to input a six-digit number of your choice that complies with the DoD security guidelines voiced in the system.

Your PIN must be a combination of numbers that are not easily identifiable. Thus, your PIN cannot repeat the same number, cannot be equal to the first or last six digits of your social security number, cannot equal to your date of birth or service computation date for leave, and cannot include any single number repeated three or more times. If your PIN meets these security guidelines, you will be prompted to enter your six-digit PIN again. If both entries match, you will hear "Your PIN has been changed."

5. From the menu options select 1 – to change PIN or 2 to Continue
6. The system will voice the duty telephone number on file for you. If it is correct, press 1, otherwise press 2 and enter your correct duty phone number.
7. Once you have cleared the PIN and telephone verification modules, you will select from the following menu:

- 1 - Federal Employees Health Benefits (FEHB)
- 2 - Retirement
- 3 - Thrift Savings Plan (TSP)
- 4 - Federal Employees Group Life Insurance (FEGLI)
- 5 - Benefit News
- 6 - Request a Faxed Document
- 9 - Exit the system

8. If you need to speak to a benefits counselor, you can press "0" within menu options 1 - 4 identified above, and your call will be transferred to a counselor during normal business hours.