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Action: ALL DIPLOMATIC AND CONSULAR POSTS COLLECTIVE *ROUTINE*
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Subject: Retirement Credit for Prior Service

Key Points:

- If you had federal civilian or military service prior to joining the State Department, you can increase your Foreign Service or Civil Service pension by obtaining credit for (also known as “buying back”) that service. See below for qualifying military (paragraphs 5-9) and civilian (paragraphs 10-14) service.
- Employees must apply for prior service credit for retirement purposes -- prior service time is not automatically added to an employee's service computation date and must be applied for in advance of retirement. The process of transferring funds can take some time to complete, so please initiate the process at least one year prior to your planned retirement.
- Initiating the process of applying to buy back prior service credit does not obligate the employee to finalize the process by making a deposit. Instead, the employee can make that decision once the Office of Retirement (HR/RET) has calculated the required payment and the incremental annuity the employee could potentially receive.
- For more information on prior service credit, click on the “Resource Library” tab in the Employee Retirement Portal (ERP) on HR Online (<https://hrweb.hr.state.sbu/prd/hronline/index.cfm>). If questions remain after reviewing that information, please e-mail HRSC@state.gov.

Length of Creditable Service and Retirement

1. Your total length of creditable service is a basic factor in determining your eligibility for retirement and in computing your annuity benefit. If you had federal civilian or military service prior to joining the State Department, you can potentially increase your Foreign Service or Civil Service pension by obtaining credit for that service. 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 for leave accrual purposes.
2. In most cases, credit is obtained by making a deposit to cover the employee retirement

contributions (plus interest) that were not made originally. Generally, no deposit is required to transfer Civil Service retirement credit to the Foreign Service retirement fund (or vice versa); however, the employee must proactively request that transfer of funds (see below under Credit for Civilian service).

3. Eligible employees are encouraged to obtain credit for their prior military or civilian service long before they plan to retire. In most cases, delaying increases the interest charges that the employee must pay. Also, applications for prior service credit made shortly before retirement can delay the processing of the retirement application and payment of the initial annuity.

4. Initiating the process of applying to buy back prior service credit does not obligate the employee to finalize the process by making a deposit. Instead, the employee can make that decision once the Office of Retirement (HR/RET) has calculated the required deposit and the incremental annuity the employee could potentially receive.

Credit for Military Service

5. In general, all military service is 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. Additionally, any service at the military academies is eligible for credit even if the employee is receiving retired military pay.

6. If the employee has already been awarded military retired pay based on a 20-year military retirement, the military service is not creditable for federal civilian retirement unless a military deposit is paid and the employee waives the retired pay at the time of retirement.

7. An employee who is awarded military retired pay at age 60 because of reserve service does not have to waive the military retired pay at retirement. Provided the employee pays a deposit, credit for periods of active duty military reserve service will be included in the civilian retirement benefit.

8. 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. Visit the Defense Finance and Accounting Service website (<https://www.dfas.mil/civilianemployees/customerservice.html#Finance%20Centers>) for the appropriate Military Finance Center address to send the form. Send the signed RI 20-97 along with your DD-214 or other documentation of service to that address. Employees who were issued a DD-214 but cannot find it must first obtain a copy by sending a form SF-180 to their former military records center.

9. 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 the military deposit amount and inform the employee how and where to pay it. Once the employee completes the deposit and the Annuity

Pay Processing Branch sends confirmation to HR/RET, the employee's retirement file will be updated to reflect the paid military service.

Credit for Civilian Service

10. Most types of prior **permanent** federal civilian appointments qualify for credit, including service as a Peace Corps or VISTA volunteer. Periods of service under a personal service contract 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.

11. To receive retirement credit, employees should first ensure that documentation of any previous federal employment showing their dates of service is on file in the administrative section of their Official Performance File (accessible via eOPF on HR Online). If the eOPF is incomplete, employees should send a copy of the missing 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.

12. In general 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 to have the Civil Service retirement funds transferred to the Foreign Service retirement fund (or vice versa). The process of transferring funds can take some time to complete, so it is best to initiate the process at least one year prior to retirement.

13. Employees who received a refund of retirement contributions made during prior federal service but 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 of the case by HR/RET.

14. Below are the application procedures for making a deposit 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 make a deposit for prior civilian service that was not subject to retirement deductions only if that service occurred prior to 1989. This rule does not apply to Peace Corps or VISTA service for which a deposit can be made at any time. To submit a prior service application, submit the request to HRSC@state.gov. HR/RET will determine the deposit amount and will explain how to make that payment. Once the employee completes the deposit and the Annuity Pay Processing Branch sends confirmation to HR/RET, the employee's records will be updated to reflect the paid civilian service.

--FSRDS: Employees in the Foreign Service Retirement and Disability System who performed prior civilian service during which no retirement deductions were withheld or were refunded, may buy back credit. To submit a prior service application, submit the request to HRSC@state.gov. HR/RET will determine the deposit amount and will explain how to make that payment. Once the employee completes the deposit and the Annuity Pay Processing Branch sends confirmation to HR/RET, the employee's records will be updated to reflect the paid civilian 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. This rule does not apply to Peace Corps or VISTA service for which a deposit can be made at any time. To apply for credit, submit Form SF-3108 to HR/RET. HR/RET will review, certify and forward the SF 3108 to the Office of Personnel Management (OPM). OPM determines the deposit amount owed and will explain how to make payment. Since the employee pays the deposit to OPM, OPM will notify the employee when payment has been completed. Once OPM's payment confirmation is received, the employee should send a copy to HR/RET so that the employee's State Department retirement file is updated to reflect the paid civilian 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, submit Form SF-2803 to HR/RET. HR/RET will review, certify and forward the SF 2803 to OPM. OPM determines the deposit amount owed and will explain how to make payment. Since the employee pays the deposit to OPM, OPM will notify the employee when payment has been completed. Once OPM's payment confirmation is received, the employee should send a copy to HR/RET so that the employee's State Department retirement file is updated to reflect the paid civilian service.

Additional Information

15. For more information on prior service credit, click on the "Resource Library" tab in ERP on HR Online (<https://hrweb.hr.state.sbu/prd/hronline/index.cfm>). If questions remain after reviewing that information, please e-mail HRSC@state.gov.

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