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

Key Points:

- This is the first in a series of annual notices concerning the retirement process.
- The retirement service computation date (SCD) determines retirement eligibility and is one factor used in calculating the value of your annuity.
- If you had federal civilian or military service prior to joining the State Department, you may be able to increase your Foreign Service or Civil Service pension by obtaining credit for (also known as “buying back”) that service.
- You 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.
- Initiating the process of applying to buy back prior service credit does not obligate you to finalize the process by making a deposit. Instead, you can make that decision once the Bureau of Global Talent Management's Office of Retirement (GTM/RET) has calculated the required payment and an annuity estimate.
- For more information on prior service credit, go to the Employee Retirement Portal (ERP) on HR Online (<https://hrweb.hr.state.sbu/prd/hronline/index.cfm>) and click on the “Resource Library” tab.
- For more information or questions, please e-mail HRSC@state.gov.

Creditable Service and Retirement Service Computation Date

1. The annual leave service computation date (SCD) is reflected in block 31 of Standard Form 50 (SF-50) and determines the amount of annual leave earned each pay period. **However, it is**

the retirement SCD that determines the total amount of Federal service used for retirement eligibility and computation purposes. The annual leave SCD may be different than the retirement SCD. Any one or more of the following may affect your retirement SCD:

- Periods of leave without pay (LWOP);
- Federal service requiring a deposit that has not been paid;
- Temporary service performed after 1989 (FERS and FSPS only); and
- Breaks in Federal service in excess of three days.

2. When using the Employee Retirement Portal (ERP) on HR Online to compute a retirement annuity, it may default to the annual leave SCD. While there is no difference between the leave and retirement SCDs for those who have no prior federal service, employees who have prior federal service **MUST** request the calculation of their retirement SCD by sending an email to the HR Service Center (HRSC) at HRSC@state.gov. The Office of Retirement then calculates the retirement SCD and processes a personnel action. This results in the correct retirement SCD in GEMS which is then used by ERP to calculate estimates.

3. 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.

4. 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 the transfer of funds. See paragraphs 12-16 for more information.

5. 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. Applications for prior service credit made shortly before retirement can delay the processing of the retirement application and payment of the initial annuity.

6. 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 GTM/RET has calculated the required deposit and the incremental annuity the employee could potentially receive.

Credit for Military Service

7. 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. Service at the military academies is potentially creditable even if the employee is receiving retired military pay.

8. 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 from the Department of State.

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

10. 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 obtain a military pay history:

- Go to www.opm.gov.
- Type "RI 20-97" in the search box.
- Fill out 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.

11. Once the military pay center has completed the RI 20-97, submit the RI 20-97 with the DD-214, or other documentation of service, to GTM/RET. Scan and email all necessary documents to HRSC@state.gov. Civil Service employees in the FERS retirement system must also submit form SF-3108. GTM/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 GTM/RET, the employee's retirement file will be updated to reflect the paid military service.

Credit for Civilian Service

12. 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). Excluding service previously purchased under the PIT (part-time, intermittent, or temporary employment) Buyback Program that ended in 2008, **most temporary service performed after 1988 is not creditable for retirement purposes**. Special rules apply in other unusual circumstances, so inform GTM/RET of all prior service.

13. 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 (OPF), 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, GTM/EX/RIM, SA-1 H-804, 2401 E Street, NW, Washington, DC 20522-0108, or fax the scanned documentation to GTM/EX/RIM at 202-663-1862.

14. For employees covered under a Civil Service retirement plan prior to being appointed to the Foreign Service, or vice versa, there is generally no need to make an additional deposit for that credit, unless the employee received a refund of their retirement fund contributions. Paperwork must be completed to transfer funds between the two retirement accounts. To request a transfer of Civil Service retirement funds transferred to the Foreign Service retirement fund, or vice versa, e-mail HRSC@state.gov. The process of transferring funds takes time, so **it is best to initiate the process at least one year prior to retirement.**

15. Employees who received a refund of retirement contributions made during prior federal service and want to redeposit that amount may need to repay that money with interest in order for the service to be creditable for computing their annuity. Email HRSC@state.gov to initiate a GTM/RET review of the case.

16. Below are the application procedures for making a deposit for civilian service that was not subject to withholding. The procedures differ according to the retirement plan of the employee.

- **FSPS:** Employees in the Foreign Service Pension System (FSPS) 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. GTM/RET will determine the deposit amount and explain how to make the payment. Once the employee completes the deposit and the Annuity Pay Processing Branch sends confirmation to GTM/RET, the employee's records will be updated to reflect the paid civilian service.
- **FSRDS:** Employees in the Foreign Service Retirement and Disability System (FSRDS) 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. GTM/RET will determine the deposit amount and explain how to make the payment. Once the employee completes the deposit and the Annuity Pay Processing Branch sends confirmation to GTM/RET, the employee's records will be updated to reflect the paid civilian service.
- **FERS:** Civil Service employees in the Federal Employees Retirement System (FERS) 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 HRSC@state.gov. GTM/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 GTM/RET, so the employee's State Department retirement file can be updated to reflect the paid civilian service.

- **CSRS:** Civil Service employees in the Civil Service Retirement System (CSRS) 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 HRSC@state.gov. GTM/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 GTM/RET, so the employee's State Department retirement file can be updated to reflect the paid civilian service.

Additional Information

17. For more information on prior service credit, go to the Employee Retirement Portal (ERP) on HR Online (<https://hrweb.hr.state.sbu/prd/hronline/index.cfm>) and click on the "Resource Library" tab. If questions remain after reviewing that information, please email HRSC@state.gov.

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