

For: FFAS Employees

2002 Interest Rates for Civilian and Military Service Credit Deposits/Redeposits

Approved by: Deputy Administrator, Management



1 Credit Service Deposits

A

Purpose

This notice:

- provides updated interest rates applicable to civilian and military service credit deposits

Note: These rates apply to both the CSRS and FERS Retirement Systems.

- obsoletes Notice PM-2283
- **is being reissued to emphasize that employees currently covered by a retirement system may have the option of making a deposit for certain temporary service to receive retirement credit for that service. See subparagraph 3 A.**

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 may include **temporary employment**, intermittent/WAE service, Peace Corps Volunteer Service, and prior CSRS service which was refunded before mandatory placement into FERS.

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<p>Disposal Date</p> <p>January 1, 2003</p>	<p>Distribution</p> <p>All FAS, FSA, and RMA employees, State Offices relay to County Offices</p>
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Notice PM-2290

1 Credit Service Deposits (Continued)

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 they may be required to receive credit for title and annuity computation purposes for active duty military service performed after December 31, 1956. The deposit amount is based on the earnings during the military service which is certified by the military.

Notice PM-2290

2 Interest Rates

**A
2002 Interest
Rate**

The variable interest rate for 2002 is 5.500 percent.

**B
Prior Interest
Rates**

Following are the interest rates for prior years.

Year	Interest Rate (Percent)
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	7.0
1996	6.875
1997	6.875
1998	6.750
1999	5.750
2000	5.875
2001	6.375

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3 Effect of Deposits on Service or Annuity

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 whose annuity will not include a CSRS component **must** pay deposits for nondeduction service before January 1, 1989, and post-56 military service to receive retirement credit for that service.

This notice emphasizes that employees have the option of paying these deposits at ANYTIME before or at time of retirement.

B

Action Required

To obtain additional information about how application of interest and service credit payments may affect your service or annuity, and to request an applicable form to apply to make deposits/redeposits, contact the appropriate office as follows.

Office	Contact
<ul style="list-style-type: none">• FAS• FSA National Offices• RMA, Regional Service and Compliance Offices, except Kansas City Office	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.
FSA State and County Offices	State Administrative Officer.
<ul style="list-style-type: none">• APFO• KCAO• KCCO• KCFO• KC-ITSDO• KC-ITSTO• RMA, RDD, and Kansas City Compliance Office	KCAO, Personnel Division, Employee and Labor Relations Branch, 816-926-6643 or 816-926-6148.
