

## Are You Getting the Credit You Deserve?

By Tammy Flanagan

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In my experience, among the most confusing topics for federal employees planning for retirement is the issue of service credit and service credit deposits.

This is an important topic because service credit plays a very important role under both the Civil Service Retirement System and the Federal Employees Retirement System. The dollar amount of your basic retirement benefit is determined by the total years and months of creditable service (and unused sick leave) that you have on the date of your retirement from federal service. This, along with your high-three average salary, is used to calculate your basic retirement annuity.

Some employees are not aware that they haven't received credit for certain periods of service until they are about to retire. Since your creditable service determines when you are eligible to retire as well as the amount of your benefit, you can quickly see why it is important to understand if you have any issues early on in your career.

Here are some of the most common service credit situations that can interfere with the calculation (and sometimes the eligibility requirements) for CSRS and FERS:

- Civilian federal service that was not subject to CSRS or FERS retirement withholding. This might have been an entry level appointment, seasonal appointment, temporary position or a summer job with a federal agency. In many cases, this service would have only been covered by Social Security tax withholding.
- Civilian federal service that was covered by CSRS or FERS withholding, but the retirement contributions were later refunded because you had a break in service and withdrew the money from the retirement fund.
- Active-duty military service.
- Work schedules other than full-time, such as intermittent, part-time or "when actually employed" appointments.
- A period of leave without pay that lasts more than six months in a calendar year.
- Prior federal service that has not been documented in your official personnel folder.
- A change in your retirement plan from CSRS to FERS or CSRS to CSRS Offset.

If any of the above situations apply to your service history, then you need to be sure you understand how they will affect your retirement eligibility and the computation of your future benefit. To be sure there are no discrepancies or unnecessary delays in your retirement plans, make sure there is there adequate documentation showing the beginning and ending dates of each period of federal service on file in your official personnel records. (By the way, it's a good idea to keep your own personal copy of these records.)

In any of the following situations, you should contact a retirement specialist at your agency's human resources office:

- You see that your retirement coverage has changed over the course of your career and you are not sure how the change will affect your annuity payment. Your retirement coverage is shown on your Standard Form 50 (Notification of Personnel Action) forms. (It's usually box number 30.)
- You've worked less than a full-time work schedule at times during your career or have you had excessive periods of leave without pay.
- You've determined that you may owe a deposit or a redeposit for a period of service that was not covered by retirement deductions, for active duty military service or for a period of refunded service.

Next week, we'll explore in more depth when it makes sense to to pay a deposit or redeposit for civilian or military service credit.

Photo: [401kcalculator.org](http://401kcalculator.org)

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<http://www.govexec.com/pay-benefits/retirement-planning/2016/04/are-you-getting-credit-you-deserve/127317/>