

~~ADMINISTRATIVE - INTERNAL USE ONLY~~(b) (2)
(b) (3)**Date:** 02/14/2002**Category:** 20 - Human Resources **OPR:** HR**Title:** AR 20-44 CIVIL SERVICE RETIREMENT SYSTEM AND
FEDERAL EMPLOYEES RETIREMENT SYSTEM**REVISION SUMMARY:** 14 February 2002 (0618)

This regulation superseded AR 20-44, dated 10 June 1997.

AR 20-44 is revised to update organizational titles. This revision reflects the Agency's organizational restructure that resulted from the DCI's decision, effective 4 June 2001 to abolish the Directorate of Administration, and establish the Mission Support Offices.

*Boldfaced text in this regulation indicates revisions.**This regulation was written by the Policy Team, Human Resources Strategy & Planning Staff.***44. CIVIL SERVICE RETIREMENT SYSTEM AND FEDERAL EMPLOYEES
RETIREMENT SYSTEM****SYNOPSIS.** This regulation states policies, authorities, and responsibilities for administration of the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) for Agency employees.

- a. AUTHORITY.** 5 U.S.C. Chapters 83 and 84 and the CIA Act of 1949.
- b. POLICY**

(1) **DEFINED BENEFIT PLANS AND OTHER RETIREMENT PROVISIONS.** In accordance with Office of Personnel Management (OPM) regulations, except as modified by Agency regulations and to the extent that the Director of Central Intelligence (DCI) determines to be appropriate, the Agency will process retirement claims, pay benefits, and administer other requirements of CSRS and FERS for Agency personnel and their survivors and/or former spouses as set forth in this regulation.

(2) **THRIFT SAVINGS PLAN.** The Agency administers the Thrift Savings Plan (TSP) for

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Agency personnel, except for Thrift Savings Fund investments, under DCI-established procedures and in consultation with the Executive Director, Federal Retirement Thrift Investment Board (FRTIB).

c. GENERAL

- (1) Unless otherwise stated, Agency procedures for administration of retirement programs were effective 1 January 1987.
- (2) This regulation follows CSRS and FERS statutes, OPM guidance for CSRS and FERS, and FRTIB guidance on TSP.

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PART I

GENERAL AUTHORITIES AND RESPONSIBILITIES

a. CIVIL SERVICE RETIREMENT SYSTEM (CSRS) AND FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS)

- (1) By statute, the Director, OPM has authority and responsibility to administer CSRS and FERS.
- (2) The Director, OPM is authorized to inspect and audit Civil Service Retirement and Disability Fund disbursements.

b. THRIFT SAVINGS PLAN (TSP). By statute, the Executive Director, FRTIB administers the TSP. FRTIB, an executive branch agency independent of OPM, is also authorized to invest TSP moneys and to inspect and audit Agency TSP disbursements.

c. ADMINISTRATIVE AUTHORITY AND RESPONSIBILITY OF THE DIRECTOR OF CENTRAL INTELLIGENCE

- (1) As specified in the FERS Act of 1986, the DCI has authority to administer CSRS, FERS, and TSP for Agency employees, to the extent the DCI considers appropriate and as embodied in regulations submitted in advance to the Congressional intelligence committees.
- (2) After consultation with the Director, OPM and the Executive Director, FRTIB, the DCI will advise them which CSRS, FERS, and TSP functions the Agency will administer.

d. DELEGATION OF AUTHORITY

- (1) The DCI has delegated to the **Chief Human Resources Officer** all Agency administrative functions and authorities relative to CSRS and FERS, except those reserved for the DCI or specifically delegated to other Agency officials.
- (2) The **Chief, Pay & Benefits (C/P&B)** or designee establishes and maintains liaison with OPM and FRTIB officials to:
 - (a) Advise the Director, OPM and Executive Director, FRTIB which functions the Agency will administer.
 - (b) Consult and exchange information with these officials.
 - (c) Administer other related CSRS, FERS, and TSP matters.

e. ISSUANCE OF REGULATIONS AND INSTRUCTIONS

- (1) OPM and FRTIB issue regulations, instructions, and guidance to Federal agencies on general CSRS, FERS, and TSP administration. Agency regulations for administering CSRS, FERS, and TSP substantially follow OPM and FRTIB regulations, except for special provisions to protect intelligence sources, methods, and activities or for specific statutory provisions applying only to Agency employees. The Agency also substantially

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follows OPM's and FRTIB's interpretation of their regulations.

- (2) The C/P&B or designee consults with OPM officials and the Executive Director, FRTIB, as necessary, to develop procedures for Agency-administered functions.

f. RESPONSIBILITIES

- (1) **HEADS OF CAREER SERVICES** will ensure that appropriate representatives provide retirement counseling and discuss retirement planning with employees before retirement.

- (2) **HUMAN RESOURCES (HR)**

- (a) **Regarding CSRS and FERS, HR will:**

- (1) Conduct a retirement services program including advice on preretirement planning, benefits and entitlements briefings, and external employment assistance.
 - (2) Determine benefits entitlements on the basis of Federal service for current employees, certain former employees, or those initially employed or reemployed with the Agency on or after 1 January 1987. Certify, process, and adjudicate applications for all Federal retirement systems claims covering Agency employees. This includes retirement, disability, dependent, survivor, former spouse, and other benefits claims. Answer third-party inquiries on employee and former employee entitlements. Responses will comply with the Privacy Act of 1974, as amended, 5 U.S.C. 552a.
 - (3) Maintain records on service, including the retrieval of prior Federal service records from OPM. Compute amounts and collect remittances for deposits to be made by employees, their spouses, and former spouses for prior creditable service. Make lump sum credit payments.
 - (4) Compute benefits using the employee's retirement system criteria, including benefits for employees eligible to elect an alternative form of annuity (AFA). The AFA is administered in accordance with 5 U.S.C. 8343a and 8420a and OPM regulations in 5 CFR 831 and 842.
 - (5) Notify OPM of Agency security standards and clearances required for OPM inspections and audits of Civil Service Retirement and Disability Fund disbursements. The DCI's responsibility to protect sources and methods determines the access allowed to OPM auditors. In conjunction with the Audit Staff, brief OPM auditors on Agency retirement procedures. Maintain records of Agency-authorized disbursements for OPM's on-site inspection and audit in accordance with Agency and OPM procedures. Recommend, when appropriate, use of DCI authority to waive the recovery of erroneous fund payments. Such waivers will follow procedures and delegated authorities in HR 20-33 and OPM-prescribed standards.
 - (6) Request information and services from OPM on a reimbursable basis when necessary for Agency administration of retirement functions. Answer OPM's

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information requests in a way that protects sensitive intelligence information.

- (7) After completion of the appeals process in paragraph g below, provide unclassified information, as necessary, to enable employees or former employees to exercise their right to appeal decisions to the Merit Systems Protection Board (MSPB) and in some cases petition judicial review (as specified in 5 U.S.C. 8347(d) and 8461(e)). In consultation with the Office of General Counsel (OGC), the Office of Security (OS), and other appropriate Agency offices, the C/P&B will advise MSPB of security procedures to protect sensitive information in accordance with clear statutory intent (under the Civil Service Retirement Act and the FERS Act) that such proceedings be conducted in a secure manner. OGC, in consultation with C/P&B, will determine when to invoke statutory or other evidentiary privileges in a particular proceeding where MSPB has not agreed to follow the Agency's recommended procedures. OGC also is responsible for communicating with Federal courts on security procedures for judicial proceedings on retirement matters involving Agency employees, former employees, or similar parties. This procedure does not alter OPM's substantive statutory authority for MSPB appeal cases.

- (8) Withhold and maintain records of retirement deductions. Send retirement deductions and deposits to OPM without Agency employee names. Pay benefits to retirees and other entitled persons, using procedures agreed to by the Agency and OPM.

- (9) Maintain documents normally in an OPM retirement file (such as Federal Employees' Group Life Insurance forms).

(b) Regarding TSP, HR will:

- (1) Inform employees of their TSP options during each open season.
- (2) Process employee TSP contribution and/or investment elections, determine required Agency contributions for each employee, send employee contributions and Agency contributions by investment category to the Executive Director, FRTIB, and maintain records on elections, contributions, and accounts.
- (3) Administer the TSP loan program. This includes:
- (a) Disbursing loans, disbursing loan proceeds against TSP balances, making other disbursements for returns of excess contributions, refunds of balances, and proceeds of balances for purchase of annuity for or on behalf of an employee and consistent with FRTIB procedures. Report disbursements to FRTIB in aggregate amounts by applicable investment and contribution category for adjustment of control account(s). Recover those amounts by offset against current period remittances to FRTIB.
- (b) Effecting payroll deductions for loan repayments and maintaining individual accounts for each loan and a control account on the aggregate amount of such loans that will be reconcilable at all times with the corresponding FRTIB

~~ADMINISTRATIVE - INTERNAL USE ONLY~~

control account.

- (c) Collecting remittances and sending collections of loan principal and interest payments to FRTIB. Advancing funds to facilitate the transfer of a TSP account with an outstanding loan balance from the FRTIB fund to the Agency system or providing a loan against TSP account balances not otherwise available in those cases determined by the DCI as necessary to protect intelligence sources, methods, and activities. Collecting remittances for loan payment by means other than payroll deduction when dictated by reasons of cover. Initiating distribution of the unpaid loan principal and interest upon default or upon retirement or resignation, if the employee so desires.
- (4) Distribute FRTIB allocations of earnings and losses and operating expense assessments to individual accounts. Issue individual TSP account statements to employees based on the FRTIB schedule. Issue loan statements on a semiannual basis in conjunction with the individual TSP account statements.
- (5) Distribute withdrawal packages to retirees or resignees and maintain records of returned forms.
- (6) Answer third-party inquiries on TSP accounts in accordance with the Privacy Act of 1974 (5 U.S.C. 552a).
- (7) Maintain liaison with the Executive Director, FRTIB, including notification that the independent public accountant or other designees engaged for inspections and audits of Agency-managed TSP accounts and disbursements must meet Agency security standards. Consult with the Executive Director, FRTIB and the accountant to ensure reports prepared for FRTIB and the Comptroller General of the United States do not contain sensitive information compromising intelligence sources, methods, and activities.
- (3) **OFFICE OF SECURITY** will:
 - (a) Certify clearances for OPM staff members or other Director of OPM designees for liaison activities, procedural inspections, and audits of Agency-authorized CSRS or FERS disbursements.
 - (b) Certify clearances for the independent public accountant or others engaged by the Executive Director, FRTIB for inspections and audits of Agency-managed TSP accounts and disbursements.
- (4) **OFFICE OF INSPECTOR GENERAL.** The Audit Staff, Office of Inspector General, in conjunction with HR, develops procedures for OPM's inspection and audit of Agency-related Civil Service Retirement and Disability Fund disbursements and FRTIB's inspection and audit of Agency TSP disbursements. Inspections and audits will be conducted within Agency security constraints by individuals with appropriate security clearances.
- (5) **OFFICE OF MEDICAL SERVICES (OMS).** OMS will provide the services specified in AR 20-50 for CSRS and FERS disability cases.

~~ADMINISTRATIVE - INTERNAL USE ONLY~~

~~ADMINISTRATIVE - INTERNAL USE ONLY~~**g. APPEALS PROCEDURES**

- (1) The Agency administers and processes appeals of HR decisions and adjudications under CSRS and FERS in accordance with this paragraph and paragraph f(2)(a)(7) above. Except as noted in paragraph (2) below, an individual whose rights or interests under CSRS or FERS are affected by an HR decision may submit a written request for reconsideration to HR. The request must state the basis for reconsideration of the decision.
- (2) Reconsideration requests for the following decisions are processed in accordance with the applicable law or court order:
 - (a) Forfeiture of annuity for conviction of certain criminal offenses relating to national security under 5 U.S.C. 8311-8322 (5 CFR 831, K). Decisions are not appealable to the MSPB under 5 U.S.C. 8347(d).
 - (b) Collection of debts due to the United States (5 CFR 831, M, and 845).
 - (c) Court orders affecting benefits under CSRS, FERS (both are covered by 5 CFR 838), or TSP (5 CFR 1650, I).
- (3) HR must receive a reconsideration request within 30 calendar days from the original decision date. The C/P&B or designee may extend the filing time limit when requesters show they were not notified of the time limit or were prevented by circumstances beyond their control from making the request within the limit.
- (4) The C/P&B or designee will issue a final written decision explaining the reconsideration findings and conclusions and the right to appeal to the MSPB.
- (5) An individual whose rights or interests under CSRS or FERS are affected by a final decision may request the MSPB review the decision in accordance with MSPB-prescribed procedures and Agency paragraph f(2)(a)(7) above of Part I.

~~ADMINISTRATIVE - INTERNAL USE ONLY~~

PART II
CIVIL SERVICE RETIREMENT SYSTEM:

a. GENERAL. By statute, the Civil Service Retirement System (CSRS) is a defined benefit program that provides eligible Federal civilian employees, generally hired before 1984, with retirement benefits on the basis of length of service and average pay. Employees who are unable to perform job duties because of a disabling condition and dependents of deceased employees and retirees who meet qualifying conditions also receive benefits. This part highlights portions of the CSRS statute and OPM-prescribed regulations in 5 CFR 831 and is intended for use in conjunction with both. This regulation also includes Agency-unique provisions.

b. ELIGIBILITY FOR PARTICIPATION

- (1) CSRS provides retirement coverage for staff personnel who entered on duty prior to 1 January 1984, including third-country nationals (nonresident aliens) who entered on duty prior to 1 January 1990. It excludes temporary employees, certain contract employees, and employees whose appointment excludes them by law and/or OPM regulations. CSRS also provides coverage for:
 - (a) Staff and contract employees who are in an excluded category, provided their employment follows other employment covered under CSRS and there is no break in service in excess of three days.
 - (b) Employees who are rehired after a break in service of 365 days or less and who were covered under CSRS at the time of separation.
- (2) Contract employees, otherwise eligible for CSRS, must be US citizens under contract for more than one year, and employed in full-time or regularly scheduled part-time status.

c. CSRS OFFSET

- (1) Employees rehired after 31 December 1983 with a break in service of more than 365 days are subject to Social Security. Employees who were under Social Security when rehired or converted continue under Social Security. These and other employees may also qualify for CSRS under the CSRS offset provisions if they fall within the following categories:
 - (a) Employees rehired between 1 January 1984 and 31 December 1986 after a break in service of more than 365 days and with at least five years of CSRS-creditable civilian service as of 31 December 1986.
 - (b) Employees rehired after 31 December 1986 with a break in service of more than 365 days and who, at the time of separation, were under CSRS and had at least five years of CSRS-creditable civilian service.
 - (c) Contract employees excluded from CSRS who convert to covered service (for

~~ADMINISTRATIVE - INTERNAL USE ONLY~~

~~ADMINISTRATIVE - INTERNAL USE ONLY~~

example, from intermittent to full-time) after 31 December 1983 without a break in service and with at least five years of CSRS-creditable civilian service as of 31 December 1986.

- (d) Employees rehired after 31 December 1986 with a break in service of more than three days and who, at the time of separation, were under Social Security, had at least five years of CSRS-creditable civilian service, and had some of that service under CSRS.
- (2) Under CSRS offset, employees contribute the same Federal Insurance Compensation Act (FICA) tax rate and defined benefit contribution rate as FERS employees, except the defined benefit contribution rate is seven percent of salary in excess of the FICA wage base.
- (3) The individual's CSRS annuity is reduced (offset) by the amount of the primary Social Security benefit attributable to Federal service, beginning the first month of eligibility for Social Security (usually at age 62), even if the person does not apply for such benefits.

d. RETIREMENT ELIGIBILITY

- (1) Employees must complete at least five years of creditable civilian service to be eligible for retirement.
- (2) Employees must complete at least one year of CSRS-creditable civilian service within the two-year period before the separation upon which the annuity is based, unless separation is due to disability. The year of service does not have to be continuous.
- (3) CSRS employees are eligible for optional retirement with 30 years of service at age 55, 20 years of service at age 60, or five years of service at age 62.
- (4) Firefighters are eligible for optional retirement with 20 years of firefighter service at age 50. Mandatory retirement is age 55 for firefighters with 20 years of firefighter service.

e. ACCRUAL RATES

- (1) Agency CSRS employees receive an annual accrual rate of 1.5 percent of the high-three average annual pay for the first five years of service, 1.75 percent for the next five years, and 2.0 percent for each year thereafter up to a maximum of 41 years, 11 months of service.
- (2) Firefighters receive an annual accrual rate of 2.5 percent of the high-three average annual pay for 20 years of firefighter service and 2.0 percent for each year in excess of 20 years even if those years do not include firefighter service. If a firefighter is not eligible for optional retirement and retires under disability provisions, the guaranteed minimum formula or the general formula determines the benefits, whichever provides the larger annuity.
- (3) Under the CIA Act of 1949 and Public Law 101-193, annuities for overseas service by Agency CSRS employees serving abroad after 31 December 1986 and retiring after 30 September 1989 are computed at 2.0 percent per annum. The increased accrual rate is

~~ADMINISTRATIVE - INTERNAL USE ONLY~~

applied to the employee's initial years of Federal service and the remaining years are computed using the general formula in paragraph (1) above. Service abroad is computed by total months of TDY and PCS duty. The increased accrual rates are portable if the employee transfers to another Federal agency.

f. DISABILITY RETIREMENT ELIGIBILITY

- (1) All CSRS employees are eligible for disability benefits if disabled after five years of creditable civilian service. As of 1 January 1987, all disability applications and claims will be processed and adjudicated in accordance with AR 20-50.
- (2) Except as provided in paragraph (3) below, disability retirement benefits for Agency CSRS employees are computed using CSRS criteria.
- (3) Under section 19(a) of the CIA Act of 1949 (50 U.S.C. 403s(a)), an Agency CSRS employee who upon application or the DCI's order, will retire on an annuity computed in accordance with AR 20-50 applicable to the computation of Central Intelligence Agency Retirement and Disability System (CIARDS) disability annuities if the employee:
 - (a) Has at least five years of creditable civilian service;
 - (b) Satisfies the requirements for CSRS disability retirement;
 - (c) Has not been designated a CIARDS participant; and
 - (d) Becomes disabled while assigned CIARDS-qualifying duties.
- (4) The CIARDS Fund pays the annuity provided under this paragraph.
- (5) The Agency administers and processes appeals of determinations and adjudications in accordance with Part I, paragraphs f(2)(a)(7) g.

g. SPECIAL PROVISIONS FOR DEATH-IN-SERVICE BENEFITS

- (1) Under section 19(b) of the CIA Act of 1949 (50 U.S.C. 403s(b)), an Agency CSRS employee's spouse, former spouse, and child or children will be entitled to a survivor annuity computed in accordance with AR 20-50 for CIARDS death-in-service benefits if the employee:
 - (a) Has at least 18 months of creditable civilian service;
 - (b) Has not been designated as a CIARDS participant;
 - (c) Dies while assigned to CIARDS-qualifying duties; and
 - (d) Is survived by a spouse, former spouse, and/or a child or children who would be entitled to a CSRS survivor annuity.
- (2) The CIARDS fund pays survivor annuities provided under this paragraph.

h. ELIGIBILITY FOR THRIFT SAVINGS PLAN (TSP) PARTICIPATION AND CONTRIBUTION RATES

- (1) CSRS employees may participate in TSP, which was established by FERS on 1 April

~~ADMINISTRATIVE - INTERNAL USE ONLY~~

1987.

- (2) **Upon the establishment of FERS, CSRS participants were able to contribute up to 5 percent of basic pay to TSP.**

From 1 April through 30 September 1987, CSRS participants could have contributed up to 7.5 percent of pay. The Internal Revenue Service (IRS) adjusts annually the contribution limit for TSP contributions. **There are neither automatic nor Agency-matching contributions.**

- i. **OPTION TO TRANSFER FROM CSRS TO FERS.** All CSRS participants as of 30 June 1987 had the option to transfer into FERS between 1 July and 31 December 1987. Those participants reemployed under CSRS after 30 June 1987 have six months from the reemployment date to transfer into FERS. Employees who transfer to FERS will have their annuities computed and adjusted according to the following special provisions:

- (1) Employees with at least five years of CSRS-creditable civilian service at the time of transfer will be eligible for an annuity consisting of two portions: one for all their pretransfer service (computed under CSRS) and the second for all service thereafter (computed under FERS).
- (2) Employees subject to the CSRS offset provisions in paragraph c above who transfer to FERS will have all years of offset service after 31 December 1983 computed under the FERS annuity formula. In instances where five or more years of creditable civilian service remain after converting the post-1983 offset service to the FERS annuity formula, the remaining creditable service will be computed under the CSRS annuity formula. If after conversion of the offset service less than five years of creditable civilian service remain, the balance of an employee's service (both military and civilian) will be computed under the FERS annuity formula.
- (3) For transferees to FERS, the cost-of-living adjustment for the portion of the annuity earned on the basis of CSRS creditable service will be computed under the CSRS formula, and the FERS cost-of-living formula will be applied to the portion of the annuity based on FERS service.

j. **REEMPLOYMENT OF CSRS ANNUITANTS**

- (1) **GENERAL.** CSRS annuitants are not barred from reemployment in an appointive or elective position in the Federal service. For the reemployment period, CSRS annuitants are provided CSRS coverage (or FERS coverage from the date of election in the case of those transferring to FERS during the reemployment period) unless the appointment is

~~ADMINISTRATIVE - INTERNAL USE ONLY~~

excluded from CSRS or FERS retirement coverage by law or OPM regulations.

(2) REEMPLOYMENT COMPENSATION

- (a) Reemployed CSRS annuitants who remain under CSRS will be entitled to receive their annuities during the reemployment period, but an amount equal to the annuity allocable to the period of actual employment will be deducted from their pay.
- (b) Paragraph (a) above will not apply to a disability annuitant whose annuity is terminated because of recovery or restoration of earning capacity or to an annuitant whose discontinued service annuity is terminated upon reemployment.
- (c) Upon reemployment, CSRS annuitants may elect to have deductions for the Civil Service Retirement and Disability Fund withheld from their pay. Individuals who are reemployed as CSRS annuitants but later transfer to FERS will, from the election date, be required to have deductions withheld from pay in the same manner and in the same amounts as FERS participants.
- (d) A reemployed annuitant who did not elect to have payroll deductions made to the Civil Service Retirement and Disability Fund may, at separation, elect to make a deposit to cover the reemployment service in order to become eligible for an additional supplemental annuity or a recomputation of the total annuity as outlined in the following paragraph.
- (e) **Upon termination of reemployment:**
 - (1) A CSRS annuitant who has served full-time less than one year or the part-time equivalent and who elected to have CSRS deductions withheld from pay during the reemployment period will, upon written application to **Pay & Benefits/HR**, be paid a refund of CSRS deductions.
 - (2) A CSRS annuitant who has served full-time for at least one year or the part-time equivalent will be entitled to a supplemental annuity for the reemployment period, provided the service is covered by retirement deductions, or a deposit equal to the retirement deductions that should have been taken (plus interest).
 - (3) CSRS annuitants who have served full-time for at least five years or the part-time equivalent may elect, instead of the supplemental annuity described in paragraph (2) above, to have their retirement rights redetermined, provided all required deductions or deposits, plus interest, for the reemployment period(s) have been made.
 - (4) CSRS law and OPM regulations in effect when the period of reemployment terminates determine eligibility for a supplemental annuity or option to elect a redetermined annuity.

k. BENEFITS FOR SPOUSES AND FORMER SPOUSES OF CSRS PARTICIPANTS

- (1) **SPECIAL PROVISIONS FOR CERTAIN FORMER SPOUSES OF AGENCY EMPLOYEES COVERED BY CSRS.** Section 14 of the CIA Act of 1949 (50 U.S.C. 403n) provides that a former spouse of an Agency employee who is a CSRS participant will have a statutory right to retirement and survivor benefits if the former spouse meets

~~ADMINISTRATIVE - INTERNAL USE ONLY~~

the criteria in paragraph (a) below. The benefits of a CSRS employee's former spouse are determined by the employee's entitlements in accordance with CSRS provisions of law and OPM regulations.

(a) To qualify for these statutory benefits:

(1) A former spouse divorced from an Agency employee or annuitant on or before 4 December 1991 must have been married to such employee for not less than 10 years of the employee's creditable service, during which both the employee and former spouse spent at least five years outside the United States during the employee's Agency service.

(2) A former spouse divorced from an Agency employee or annuitant after 4 December 1991 must have been married to such employee for not less than 10 years of the employee's creditable service, during which the employee spent at least five years outside the United States in Agency service or in a CIARDS-qualifying position. For this provision, United States means the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and Guam.

(b) A qualified former spouse as defined in paragraph (a) above will be subject, in the same manner and to the same extent, to the requirements, limitations, entitlements, and benefits relating to retirement annuities, survivor benefits, and lump-sum payments as former spouses of CIARDS participants or annuitants.

(2) GENERAL PROVISIONS FOR SPOUSES AND FORMER SPOUSES OF AGENCY EMPLOYEES COVERED BY CSRS

(a) Current spouses and/or former spouses (who do not meet the criteria in paragraph (1)(a) above) of Agency employees or annuitants under CSRS will be subject to the rules, obligations, eligibility requirements, and entitlements relative to retirement annuities, survivor benefits, and lump-sum payments stated in CSRS provisions of law and OPM regulations.

(b) Under CSRS, a current spouse:

(1) Is a person married to a CSRS employee or retiree at the time of the employee's or retiree's death.

(2) If otherwise eligible, is entitled to a survivor annuity after the employee's or retiree's death if they had been married for at least nine months, a child was born of the marriage, or the employee's or retiree's death was accidental. For a deceased employee, the surviving spouse is entitled to a survivor annuity only if the employee had completed at least 18 months of CSRS-creditable civilian service. For a deceased retiree, the surviving spouse is entitled to a survivor annuity only if the retiree elected a reduced annuity to provide survivor benefits for the spouse.

(3) Is entitled to a survivor annuity that may be less than the maximum when a former spouse is entitled to a portion of the survivor annuity on the basis of a court order or election that expressly provides a survivor annuity for the former

~~ADMINISTRATIVE - INTERNAL USE ONLY~~

spouse.

(c) Under CSRS, a former spouse:

- (1) In connection with a court order affecting employee retirement benefits, is a person whose marriage to an employee or retiree has been subject to divorce, annulment, or legal separation resulting in a court order.
- (2) In connection with a court order awarding a former spouse survivor annuity, is a person married for at least nine months to a CSRS employee or retiree with at least 18 months of CSRS-creditable civilian service, and whose marriage was terminated before the death of the employee or retiree.
- (3) Is entitled to be paid a portion of the employee's refund of CSRS deductions or the retiree's monthly CSRS annuity only if a qualifying court order expressly provides for such payment. The former spouse's share must be stated as a fixed amount, percentage, or fraction of the benefit, or expressed as a formula that does not contain variables whose value is not readily ascertainable from the face of the order or Agency files.
- (4) Is entitled to a survivor annuity if divorced from the CSRS employee or retiree after 7 May 1985 and if the annuity is expressly provided for in a qualifying court order. If the court order does not state a fixed percentage, fraction, or amount of the survivor annuity awarded to the former spouse, the order will be interpreted as providing the maximum survivor annuity (equal to 55 percent of the retiree's annuity unreduced for survivor benefits). A former spouse may be eligible to receive a survivor annuity based on the employee's election, at retirement or within two years after the date of a postretirement divorce, to have the annuity reduced to provide a survivor annuity. The former spouse's entitlement to a survivor annuity terminates if the former spouse remarries before reaching age 55.
- (5) Is entitled to payment of a portion of the participant's TSP account balance provided the CSRS employee is a TSP participant and if expressly provided for in a qualifying retirement benefits court order. The Agency will administer this provision in accordance with FRTIB regulations in 5 CFR 1650, I.

ADMINISTRATIVE - INTERNAL USE ONLY**PART III****FEDERAL EMPLOYEES RETIREMENT SYSTEM:**

- a. GENERAL.** By statute, the Federal Employees Retirement System (FERS) is a three-tiered retirement system consisting of a basic FERS annuity, TSP, and Social Security benefits. FERS provides benefits for voluntary retirement, involuntary retirement, disability, or death of the employee or retiree. The basic annuity, a defined benefit, is computed on the basis of years of service and average pay. In contrast, TSP is a tax-deferred defined contribution plan, in which the amount of money accumulated in the employee's account through contributions and earnings determines the benefit. The Social Security Administration administers the Social Security tier. This part highlights portions of the FERS statute, OPM-prescribed regulations in 5 CFR 841 to 846, and Federal Retirement Thrift Investment Board (FRTIB) regulations in 5 CFR 1600 to 1690. This regulation also includes Agency-unique provisions.
- b. ELIGIBILITY FOR PARTICIPATION.** FERS provides retirement coverage for employees, including permanent resident aliens, who are eligible for Social Security and entered on duty on or after 1 January 1984. Excluded from coverage are employees who are not citizens or permanent resident aliens or whose appointments are temporary (limited to one year or less) or intermittent. FERS also excludes employees who entered on duty on or after 1 January 1984, with a break in service of 365 days or less, or with a break in service of over 365 days and creditable civilian service equal to five years or more before 1 January 1987 or the reemployment date, if later. Part I covers FERS Special Category employees.
- c. ELIGIBILITY FOR RETIREMENT**

- (1) The FERS minimum retirement ages (MRAs) are:

Year of Birth	MRA
Before 1948	55 years
1948	55 years 2 months
1949	55 years 4 months
1950	55 years 6 months
1951	55 years 8 months
1952	55 years 10 months
1953 to 1964	56 years
1965	56 years 2 months
1966	56 years 4 months
1967	56 years 6 months
1968	56 years 8 months
1969	56 years 10 months
After 1969	57 years

- (2) FERS participants are eligible for voluntary retirement with 30 years of creditable service at the MRA, 20 years of service at age 60, or five years of service at age 62. They are also eligible to receive an annuity with 10 years of service at the MRA, but

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with a reduced benefit of five percent for each year under age 62. Deferred annuities are available under the same age and length of service requirements as for immediate annuities.

- (3) Firefighters are eligible for voluntary retirement with 20 years of firefighter service at age 50 or with 25 years of firefighter service at any age. Mandatory retirement is age 55 for firefighters with 20 years of firefighter service. Firefighter service includes assignments to positions meeting criteria defined in 5 U.S.C. 8401(14)(A) and (B).

d. ACCRUAL RATES

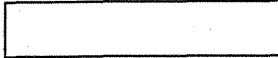
- (1) Agency FERS participants will receive an accrual rate of 1.0 percent of the high-three average annual pay for each year of service, except that the rate will be 1.1 percent for each year of service if retiring at or after age 62 with at least 20 years of service. For service abroad on or after 1 January 1987, Agency employees will receive an annual accrual rate of 1.7 percent in lieu of the above rates. Service abroad is computed on the basis of total months of TDY and PCS duty.
- (2) Firefighters receive an annual accrual rate of 1.7 percent of the high-three average annual pay for 20 years of firefighter service and 1.0 percent for each year of service in excess of 20 years even if this was not firefighter service.

e. ELIGIBILITY FOR DISABILITY BENEFITS

- (1) FERS employees are eligible for disability benefits if disabled after completing 18 months of creditable civilian service. Disability claims will be processed in the same manner as CIARDS disability cases (described in AR 20-50²).
- (2) The benefit will be calculated in the same manner as for FERS Special Category cases.
- (3) The Agency will administer and process appeals of determinations and adjudications in accordance with Part I, paragraph f(2)(a)(7) and g above.

f. ELIGIBILITY FOR TSP PARTICIPATION AND CONTRIBUTION RATES

- (1) FERS employees are eligible to elect to participate in TSP during open seasons via continuing payroll contributions.
- (2) FERS employees are entitled to an automatic Agency contribution of 1.0 percent of basic pay for each pay period even if they do not contribute to their TSP account.
- (3) FERS participants **were able to** contribute up to 10 percent of basic pay to TSP, subject to an IRS annually adjusted contribution limit, except as provided in paragraph (4) below.

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- (4) From 1 April 1987 through 30 September 1987, FERS participants could have contributed up to 15 percent of basic pay.
- (5) The Agency will match employee contributions as follows:

Employee Contribution	Agency-Matching Contribution
First 3% of pay	\$1.00 for \$1.00
Next 2% of pay	\$.50 for \$1.00
Over 5% of pay	None

- (a) The above Agency-matching contributions are in addition to the automatic 1 percent Agency contribution.
- (b) The above Agency-matching contributions were doubled from 1 April through 30 June 1987.

g. REEMPLOYMENT OF FERS ANNUITANTS**(1) GENERAL**

- (a) FERS annuitants are not barred from reemployment in an appointive or elective position in the Federal service.
- (b) Reemployed FERS annuitants are provided FERS coverage for the reemployment period unless the appointment is intermittent or excluded from FERS coverage.

(2) REEMPLOYMENT COMPENSATION

- (a) A reemployed FERS annuitant (except a disability annuitant whose annuity is terminated because of recovery or restoration of earning capacity) will be entitled to receive an annuity during the reemployment period. However, a sum equal to the annuity allocable to the period of actual employment will be deducted from the pay. Reemployed annuitants will have deductions withheld from their pay, and Agency contributions will be made to the Civil Service Retirement and Disability Fund and to the appropriate Social Security fund in amounts prescribed by law for FERS participants.
- (b) Upon termination of reemployment, the annuity of FERS annuitants who served full-time for at least one year or a part-time equivalent shall be increased by an amount computed under the applicable FERS formula on the basis of the reemployment period and the basic pay (before deduction) averaged during the reemployment period.
- (c) Instead of the benefit provided in paragraph (b) above, reemployed annuitants who served full-time for at least five years or a part-time equivalent may elect to have their rights redetermined.
- (d) Annuitants whose reemployment was for a period(s) of less than one year or one-year equivalent shall, upon written application to **Pay & Benefits, HR**, be paid a refund of

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the total FERS contributions withheld from pay during the reemployment period.

- (e) The FERS statute and OPM regulations in effect when reemployment terminates determine eligibility for a supplemental annuity or option to elect a redetermined annuity.

h. BENEFITS FOR SPOUSES AND FORMER SPOUSES OF FERS PARTICIPANTS

(1) SPECIAL PROVISIONS FOR QUALIFIED FORMER SPOUSES OF AGENCY EMPLOYEES COVERED BY FERS

- (a) Section 304 of the CIA Retirement Act for Certain Employees (50 U.S.C. 403 note) provides that a qualified former spouse (as defined in paragraphs (1) and (2) below) of an Agency FERS employee is entitled to a statutory share of the retirement and survivor benefits payable under the FERS statute.
 - (1) For divorces occurring on or before 4 December 1991, a qualified former spouse is the former spouse of an Agency employee or annuitant married to such employee for not less than 10 years during periods of the employee's creditable service, of which both the employee and the former spouse spent at least five years outside the United States during the employee's Agency service.
 - (2) For divorces occurring after 4 December 1991, a qualified former spouse is the former spouse of an Agency employee or annuitant married to such employee for not less than 10 years during periods of the employee's creditable service, of which the employee spent at least five years outside the United States during the employee's service as an Agency employee or in a position that qualified the employee for FERS Special Category. United States means the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and Guam.
- (b) The retirement and survivor benefits of a qualified former spouse of a FERS participant are calculated on the basis of the participant's entitlements and are determined and adjudicated in accordance with section 304 of the CIA Retirement Act.

(2) GENERAL PROVISIONS FOR SPOUSES AND FORMER SPOUSES OF AGENCY EMPLOYEES COVERED BY FERS

- (a) Current spouses and/or former spouses (who are not qualified former spouses as defined in paragraph (1) above) of Agency employees or annuitants under FERS will be subject to the rules, obligations, eligibility requirements, and entitlements relative to retirement annuities, survivor benefits, lump-sum payments, and TSP accounts prescribed in the FERS and TSP laws and OPM and FRTIB regulations.
- (b) **Under FERS, a current spouse:**
 - (1) Is a person married to a FERS employee, separated employee, or retiree at the time of the employee's, separated employee's, or retiree's death. The term current spouse includes a spouse who is legally separated but not divorced from the employee, separated employee, or retiree.

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- (2) If otherwise eligible, can qualify for survivor benefits if the surviving spouse was married to the employee, separated employee, or retiree for at least nine months; a child was born of the marriage; or the employee's, separated employee's, or retiree's death was accidental.
- (3) If qualified under paragraph (2) above, is entitled to survivor benefits:
- (a) For a deceased employee, only if the employee had completed at least 18 months of FERS civilian service.
 - (b) For a deceased separated employee, only if the former employee had separated from service with title to a deferred annuity and was married to the current spouse on the separation date.
 - (c) For a deceased retiree, only if the retiree elected a reduced annuity to provide survivor benefits for the spouse.
- (4) Is entitled to survivor benefits that may be less when a former spouse is entitled to a portion of the survivor benefits on the basis of a court order or election that expressly provides survivor benefits to the former spouse.
- (c) Under FERS, a former spouse:**
- (1) In connection with a court order affecting employee retirement benefits, is a person whose marriage to an employee, separated employee, or retiree has been subject to a divorce or annulment. A separated spouse is a person whose marriage to an employee or retiree is currently subject to a court order granting a legal separation.
 - (2) In connection with a court order awarding former spouse survivor benefits, is a person who was married for at least nine months to a FERS employee, separated employee, or retiree with at least 18 months of FERS-creditable civilian service and whose marriage was terminated before the employee's death, separation, or retirement.
 - (3) Is entitled to be paid a portion of the employee's refund of FERS deductions or the retirees monthly FERS annuity only if and to the extent that a qualifying court order expressly provides for such payment. The former spouse's share must be stated as a fixed amount, percentage, or fraction of the benefit, or as a formula without variables whose value is not readily ascertainable from the face of the order or Agency files. This paragraph also applies to a separated spouse.
 - (4) Is entitled to survivor benefits if and to the extent expressly provided in a qualifying court order. If an employee dies after completing at least 18 months of civilian creditable service, the survivor benefit payable is the basic employee death benefit equal to 50 percent of the employee's final annual rate of basic pay (or average pay, if higher) plus \$15,000 as adjusted under 5 U.S.C. 8462(e). If an employee dies after completing at least 10 years of service, a survivor annuity equal to 50 percent of what the employees annuity would be (without reduction for age) is payable in addition to the basic employee death benefit. If a retiree

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dies, the survivor benefit payable is a survivor annuity equal to 50 percent of the retiree's annuity. A former spouse may be eligible to receive a former spouse survivor annuity on the basis of the employee's election at the time of retirement, or the retiree's election within two years after the date of a postretirement divorce, to have the annuity reduced to provide such survivor annuity. The former spouse's entitlement to survivor benefits terminates if the former spouse remarries before age 55.

- (5) Is entitled to payment of a portion of the FERS participant's TSP account balance if and to the extent expressly provided in a qualifying retirement benefits court order. The Agency will administer this provision in accordance with FRTIB regulations in 5 CFR 1650, I.