

# Personnel Employee Bulletin

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DLA Human Resources Centers (DHRC)  
New Cumberland, PA and Columbus, OH

**Civil Service Retirement System (CSRS):** CSRS annuities may not exceed 80 percent of the employee's high-3 average pay. Normally, total service of 41 years 11 months (excluding unused sick leave credit) produces the maximum annuity.

EXAMPLE: Tom has a total of 43 years of creditable civilian and military service. In addition, he has 2087 hours (1 year) of unused sick leave. His annuity would be limited to 80 percent based on civilian and military service but the 1 year of sick leave would increase the annuity an additional 2 percent. Thus, Tom's basic annuity would be 82 percent of his high-3 average pay.

If an employee continues working past the 41 years 11 months (excluding unused sick leave credit), their retirement contribution continue to be deducted. When they retire, OPM will apply the excess contributions plus 3 percent interest (compounded annually to the date of retirement) to any deposit due for civilian nondeduction service and/or redeposit due for civilian refunded service that ended on or after October 1, 1990. OPM then refunds any balance with the initial annuity payment. At that time, the retiree is advised by letter of the amount of additional annuity the excess deductions and interest would purchase. If the retiree returns the excess deductions and interest to OPM, this amount is treated as voluntary contributions and the annuity is recomputed accordingly.

If the retiree owes a redeposit for civilian refunded service that ended before October 1, 1990, an actuarial reduction applies to the maximum annuity. However, if the retiree elects to purchase an additional annuity with the excess deductions, the redeposit has to be paid in full.

One quick way to figure an annuity for CSRS employees is to take your total years of service, minus two and then times it by two. That figure will roughly estimate how much of your High-3 average salary you will receive upon retirement.

**Federal Employees Retirement System (FERS):** FERS annuities are not subject to the 80 percent cap because FERS employees only receive roughly one percent of their high-3 for each year of creditable service they have upon retirement.

If a FERS employee has ever resigned and taken a refund of their FERS contributions, they are barred from receiving retirement credit for that time toward retirement in the future. FERS employees do not have an option to make a redeposit for the service.

Employees covered under FERS who have previously worked as a temporary employee prior to January 1, 1989, are eligible to make a deposit for the service to make it eligible for inclusion in their annuity computation. If the temporary service occurred on or after January 1, 1989, FERS employees do not have the option to make a deposit nor will they receive any credit for the service upon retirement.

For more information regarding CSRS or FERS please click on this link [www.opm.gov/retire](http://www.opm.gov/retire).

For additional information, please contact your servicing DLA Human Resources Center, <http://www.hr.dla.mil/cntctus.htm>. The Personnel Employee Bulletin will be published on the first and third Wednesday of each month.