

# Redeposit Service

All CSRS & FERS who left federal employment, took a refund of their retirement contributions, and then returned to work will receive credit for that past time for retirement **age eligibility** requirements. Whether or not the time is used in their annuity calculation depends on whether the refund is re-deposited (with interest).

CSRS	
Left work prior to 3/1/1991	<ol style="list-style-type: none"><li>1. Can repay the deposit plus interest to have the time fully credited to them; or</li><li>2. Have their monthly annuity reduced by the amount of the deposit divided by the “present value factor.” The factor is based on age.*</li></ol>
Left work after 3/1/1991	Can repay the deposit plus interest to have the time fully credited to their annuity

FERS
Can repay the deposit plus interest to have the time fully credited to their annuity

\*Interest rates vary year to year. See Federal Almanac for correct values.

# FERS Redeposit Example

John entered federal service in January 1999, worked for 9 years, and then withdrew his \$8,000 of Federal contributions in 2008 because he didn't meet the age/service requirements. But then he returned to federal service in January 2009. This gave him a new service computation date of 1/1/09. He essentially lost 10 years of possible service. By choosing to redeposit his withdrawn contributions plus interest, he could add back those 9 years of service, changing his SCD to 1/1/2000.

Based on the interest rates given by OPM his total redeposit would cost him:

Year	Interest Rate	Interest Charge	Amount Owed
1999	5.75%	5.75% of \$8,000 = \$460	\$8,460
2000	5.875%	5.875% of \$8,460 = \$497	\$8,957
2001	6.375%	6.375% of \$8,957 = \$571	\$9,528
2002	5.5%	5.5% of \$9,528 = \$524	\$10,052
2003	5.0%	5.0% of \$10,052 = \$503	\$10,555
2004	3.875%	3.875% of \$10,555 = \$409	\$10,964
2005	4.375%	4.375% of \$10,964 = \$480	\$11,444
2006	4.125%	4.125% of \$11,444 = \$472	\$11,916
2007	4.875%	4.875% of \$11,916 = \$581	\$12,497
2008	4.75%	4.75% of \$12,497 = \$594	\$13,091

In order for these 9 years to be counted towards his annuity calculation, he would have to redeposit \$13,091 as of January 1, 2009. By doing this he is adding 9% to his monthly annuity for life (9 years x 1.0%). If his High-3 is \$100,000 he would be adding 9% of that \$100,000, or \$9,000 a year for the rest of his life. That means it would only take him a little over a year and a few months to break even.