HUMAN RESOURCES OFFICE
TECHNICIAN / AGR ADMINISTRATIVE INSTRUCTION

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National Defense Authorization Act Retirement Changes

1. The "National Defense Authorization Act of Fiscal Year 2010," Public Law 111-84 (PL 111-84), signed on 23 October 2009 affects both the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). For CSRS, this means expansion of eligibility requirements for actuarially reduced annuities and computation of annuities for part-time service and for FERS-- credit for unused sick leave and redeposit of refunds.

2. Section 1902 of PL 111-84 expanded both eligibility for and computation of CSRS benefits. Instead of using the date of 1 October 1990 to compute an actuarial reduction, the period was extended to refunds taken before 1 March 1991. Along with expansion of actuarial benefits, part-time employees will see an increase in computation of their benefits. For all periods of part-time service under CSRS, adjudicators will utilize the "deemed high-three" average salary in their calculation, providing for a more generous computation.

3. Employees under FERS will see several changes to benefit plans specifically regarding the highly contested crediting of sick leave balances upon retirement. Public Law 111-84 authorized unused sick leave to be used as service credit in the computation of FERS benefits, but not for establishing title to an annuity or in the computation of average salary. Effective 28 October 2009, individuals eligible for an immediate annuity or survivor's annuity will receive credit for 50% of their unused sick leave balance. Any retirement or death occurring on or after 1 January 2014 will be allowed 100% of their unused balance. Along with crediting for sick leave, FERS technicians employed on or after 28 October 2009 will be given opportunity to make redeposits for any previously refunded FERS contributions.

4. Questions may be directed to Ms. Bobbi LeBallister at commercial (916) 854-3062, DSN 466-3062, CAGNET 6-3062, or email at bobbi.leballister@us.army.mil. These subjects plus much more will be addressed in both CSRS and FERS retirement seminars scheduled for this year. If you have not yet attended a retirement seminar but are interested in doing so, please contact Ms. Lisa Nagata at commercial 916-854-3601, DSN 466-3601, CAGNET 6-3601, or email at NGCAJ1HRO-HRDS@ca.ngb.army.mil.

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