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and deposit has been paid in accordance with OPM's regulations.

[55 FR 53135, Dec. 27, 1990]

Subpart D—Voluntary Contributions

SOURCE: 56 FR 43863, Sept. 5, 1991, unless otherwise noted.

§ 831.401 Purpose and scope.

This subpart describes the procedures that employees and Members must follow in making voluntary contributions under the Civil Service Retirement System (CSRS). This subpart also describes the procedures that the Office of Personnel Management (OPM) will follow in accepting voluntary contributions, crediting interest on voluntary contribution accounts, and paying benefits based on voluntary contributions.

§ 831.402 Definitions.

In this subpart:

Applicant for retirement means a person who is currently eligible to retire under CSRS on an immediate or deferred annuity, and who has filed an application to retire that has not been finally adjudicated.

Balance means the amount of voluntary contributions deposited and not previously withdrawn, plus earned interest on those voluntary contributions, less any amount paid as additional annuities (including any amount paid as survivor annuity) based on the voluntary contributions.

CSRS means the Civil Service Retirement System as described in subchapter III of chapter 83 of title 5, United States Code.

Eligible individual means a person eligible to make voluntary contributions under § 831.403.

Voluntary contributions means contributions to the Civil Service Retirement and Disability Fund under section 8343 of title 5, United States Code.

§ 831.403 Eligibility to make voluntary contributions.

(a) Voluntary contributions may be made only by—

(1) Employees or Members currently subject to CSRS, and

(2) Applicants for retirement.

(b) Voluntary contributions may not be accepted from an employee, Member, or applicant for retirement who—

(1) Has not deposited amounts covering all creditable civilian service performed by him or her; or

(2) Has previously received a refund of voluntary contributions and who has not been reemployed subject to CSRS after a separation of more than 3 calendar days.

(c) An employee or Member covered by the Federal Employees Retirement System (FERS), including an employee or Member who elected to transfer or was automatically placed in FERS, may not open a voluntary contributions account or make additional contributions to an existing voluntary contribution account.

§ 831.404 Procedure for making voluntary contributions.

(a) To make voluntary contributions to the Civil Service Retirement and Disability Fund, an eligible individual must first apply on a form prescribed by OPM. OPM will establish a voluntary contribution account for each eligible individual who elects to make voluntary contributions and notify the individual that a voluntary contribution account has been established. An eligible individual may not make voluntary contributions until notified by OPM that an account has been so established.

(b) After receiving notice from OPM under paragraph (a) of this section, an eligible individual may forward voluntary contributions to the Office of Personnel Management, at the address designated for that purpose. Voluntary contributions must be in the amount of $25 or multiples thereof, by money order, draft, or check payable to OPM.

(c) The total voluntary contributions made by an employee or Member may not exceed, as of the date any contribution is received, 10 percent of the aggregate basic pay received by the eligible individual.

(1) Employees are responsible for not exceeding the 10 percent limit.

(2) When the employee retires or withdraws the voluntary contributions, OPM will check to determine whether the 10 percent limit has been exceeded.

(3) If the total of voluntary contributions received from the employee exceeds the 10 percent limit, OPM will refund without interest any amount that exceeds the 10 percent limit.

§ 831.405 Interest on voluntary contributions.

(a) Interest on voluntary contributions is computed under § 831.105.

(b) Voluntary contributions begin to earn interest on the date deposited by OPM.

(c) Except as provided in paragraph (d) of this section, voluntary contributions stop earning interest on the earliest of—

(1) The date when OPM authorizes payment to the individual of the balance as a withdrawal (831.406);

(2) The date when the employee or Member separates or transfers to a position not subject to CSRS or FERS; or

(3) The date when the employee transfers to a retirement system other than CSRS or FERS.

(d) If an employee separates with entitlement to a deferred annuity and either dies without withdrawing his or her voluntary contributions or uses his or her voluntary contributions to purchase additional annuity, voluntary contributions stop earning interest on the earlier of—

(1) The date the former employee or Member dies; or

(2) The commencing date of the former employee's or Member's deferred annuity.

§ 831.406 Withdrawal of voluntary contributions.

(a) Before receiving additional annuity payments based on the voluntary contributions, a person who has made voluntary contributions may withdraw the balance while still an employee or Member, or after separation.

(b) A person entitled to payment of lump-sum benefits under the CSRS order for precedence set forth in section 8342(c) of title 5, United States Code, is entitled to payment of the balance, if any, on the death of—

(1) An employee or Member;

(2) A separated employee or Member who has not retired;

(3) A retiree, unless a survivor benefit is payable based on an election under § 831.407; or

(4) A person receiving a survivor annuity based on voluntary contributions.

§ 831.407 Purchase of additional annuity.

(a) At the time of retirement CSRS (or under FERS, if transferred from CSRS), a person may use the balance of a voluntary contribution account to purchase one of the following types of additional annuity:

(1) Annuity without survivor benefit; or

(2) Reduced annuity payable during the life of the employee or Member with one-half of the reduced annuity to be payable after his or her death to a person, named at time of retirement, during the life of the named person.

(b) Any natural person may be designated as survivor under paragraph (a)(2) of this section.

(c) If the applicant for retirement elects an annuity without survivor benefit, each $100 credited to his or her voluntary contribution account, including interest, purchases an additional annuity at the rate of $7 per year, plus 20 cents for each full year, if any, he or she is over age 55 at date of retirement.

(d) If the applicant for retirement elects an annuity with survivor benefit, each $100 credited to his or her voluntary contribution account, including interest, purchases an additional annuity at the rate of $7 per year, plus 20 cents for each full year, if any, he or she is over age 55 at date of retirement, multiplied by the following percentage:

(1) Ninety percent of such amount if the named person is the same age or older than the applicant for retirement, or is less than 5 years younger than the applicant for retirement;

(2) Eighty-five percent if the named person is 5 but less than 10 years younger;

(3) Eighty percent if the named person is 10 but less than 15 years younger;

(4) Seventy-five percent if the named person is 15 but less than 20 years younger;

(5) Seventy percent if the named person is 20 but less than 25 years younger;

(6) Sixty-five percent if the named person is 25 but less than 30 years younger; and

(7) Sixty percent if the named person is 30 or more years younger.

Subpart E—Eligibility for Retirement

§ 831.501 Time for filing applications.

Employees or Members who are eligible for retirement must file a retirement application with their agency. Former employees or Members who are eligible for retirement must file a retirement application with OPM. The application should not be filed more than 60 days before becoming eligible for benefits. If the application is for disability retirement, the applicant and the employing agency should refer to subpart L of this part.

[58 FR 49179, Sept. 22, 1993]

§ 831.502 Automatic separation; exemption.

(a) When an employee meets the requirements for age retirement on any day within a month, he is subject to automatic separation at the end of that month. The department or agency shall notify the employee of the automatic separation at least 60 days in advance of the separation. If the department or agency fails through error to give timely notice, the employee may not be separated without his consent until the end of the month in which the notice expires.

(b)(1) The head of the agency, when in his or her judgment the public interest so requires, may exempt a law enforcement officer or firefighter from automatic separation until that employee becomes 60 years of age.

(2) The Secretary of Transportation and the Secretary of Defense, under such regulations as each may prescribe, may exempt an air traffic controller having exceptional skills and experience as a controller from automatic separation until that controller becomes 61 years of age.

(c) When a department or agency lacks authority and wishes to secure an exemption from automatic separation for one of its employees other than a Presidential appointee, beyond the age(s) provided by statute, i.e., age 60 for a law enforcement officer or firefighter, age 61 for an air traffic controller, and age 62 for an employee of the Alaska Railroad in Alaska or an employee who is a citizen of the United States employed on the Isthmus of Panama by the Panama Canal Commission, the department or agency head shall submit a recommendation to that effect to OPM.

(1) The recommendation shall contain:

(i) A statement that the employee is willing to remain in service;

(ii) A statement of facts tending to establish that his/her retention would be in the public interest;

(iii) The period for which the exemption is desired, which period may not exceed 1 year; and,

(iv) The reasons why the simpler method of retiring the employee and immediately reemploying him or her is not being used.

(2) The recommendation shall be accompanied by a medical certificate showing the physical fitness of the employee to perform his or her work.

(d) OPM may approve an exemption only before the automatic separation date applicable to the employee. For this reason, the department or agency shall forward the recommendation to OPM at least 30 days before this separation date.

[33 FR 12498, Sept. 4, 1968, as amended at 34 FR 593, Jan. 16, 1969; 48 FR 38786, Aug. 26, 1983. Redesignated at 58 FR 49179, Sept. 22, 1993]

§ 831.503 Retirement based on involuntary separation.

(a) *General.* An employee who would otherwise be eligible for retirement based on involuntary separation from the service is not entitled to an annuity under section 8336(d)(1) of title 5, United States Code, if the employee has declined a reasonable offer of another position.

(b) *Criteria for reasonable offer.* For the purposes of determining entitlement to annuity based on such involuntary separation, the offer of a position must meet all of the following conditions to be considered a reasonable offer: