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(2) The individual was employed in a position subject to CSRS on November 9, 1986.

(c) *Deposit for service is not necessary.* It is not necessary for an individual to make a deposit for service performed with a nonappropriated fund instrumentality to receive credit for such service. However, if the individual does not elect to make a deposit, his or her annuity is reduced by 10 percent of the amount that should have been deposited for the period of service (including any interest) as specified by sections 8334(e) (2) and (3) of title 5, United States Code. When an employee elects an alternative annuity and also elects to make the deposit, OPM will deem the deposit to be made for purposes of conputing the alternative annuity.

[52 FR 43048, Nov. 9, 1987]

§ 831.306 Service as a National Guard technician before January 1, 1969.

(a) *Definitions.* In this section—(1) *Service as a National Guard technician* is service performed under section 709 of title 32, United States Code (or under a prior corresponding provision of law) before January 1, 1969.

(2) *CSRS* means the Civil Service Retirement System.

(b) *Conditions for crediting service to CSRS employees after November 5, 1990.* An employee subject to CSRS retirement deductions whose only service as a National Guard technician was performed prior to January 1, 1969, is entitled to credit under CSRS if—

(1) The individual submits to OPM an application for service credit in a form prescribed by OPM;

(2) The individual is employed by the Federal Government in a position subject to CSRS retirement deductions after November 5, 1990; and

(3) The individual completes the deposit for the service through normal service credit channels before final adjudication of his or her application for retirement or has the deposit deemed made when he or she elects the alternative form of annuity.

(c) *Processing the CSRS employee's application for service credit.* (1) If an employee described in paragraph (b) of this section makes an application for service credit, OPM will determine whether all conditions for creditability have been met, compute the deposit and send the employee notice of the payment required and the procedures for submitting the payments to OPM.

(2) The deposit will be computed based on—

(i) The appropriate percentage of basic pay that would have been deducted from the individual's pay at the time the service was performed; and

(ii) Interest at the rate of 3 percent per year computed as specified by section 8334(e)(2) of title 5, United States Code, until the date the deposit is paid.

(d) *Conditions for crediting service to CSRS annuitants and former Federal employees who separated after December 31, 1968, and before November 6, 1990*—(1) *Former Federal employees.* Former Federal employees who were subject to CSRS retirement deductions and separated after December 31, 1968, but before November 6, 1990, with title to a deferred annuity, may make a deposit for pre-1969 National Guard technician service provided they—

(i) Submit a written service credit application for the pre-1969 National Guard technician service to OPM before November 6, 1991; and

(ii) Complete a deposit for the additional service in a lump sum or in installment payments of $50 or more. Payments must be completed before their retirement claim is finally adjudicated, unless the deposit is deemed made when they elect an alternative form of annuity.

(2) *Annuitants and survivors.* Individuals who were entitled to receive an immediate annuity (or survivor annuity benefits) as of November 6, 1990, may make a deposit for pre-1969 National Guard technician service provided they—

(i) Submit a written application for service credit to OPM before November 6, 1991; and

(ii) Complete a deposit for the additional service in a lump sum or in equal monthly annuity installments to be completed within 24 months of the date of the complete written application.

(3) To determine the commencing date of the deposit installment payment period for annuitants and survivors, the ''date of application'' will be considered to be the first day of the

second month beginning after OPM receives a complete written application from the individual.

(4) To be a complete application, the individual's written request for pre-1969 National Guard technician service credit must also include a certification of the dates of employment and the rates of pay received by the individual during the employment period. The individual may obtain certification of his or her service from the Adjutant General of the State in which the service was performed.

(e) *Processing annuitants', survivors' or former employees' applications for service credit*—(1) *OPM determines creditable service.* OPM will determine whether all conditions for crediting the additional service have been met, compute the amount of the deposit, and notify the individual.

(2) *Computing the deposit.* The deposit will be computed based on—

(i) The appropriate percentage of basic pay that would have been deducted from the individual's pay at the time the service was performed; and

(ii) Interest at the rate of 3 percent per year as specified by section 8334(e)(2) of title 5, United States Code, to—

(A) The midpoint of the 24-month installment period or if paid in a lump sum, the date payment is made if the individual is an annuitant or survivor; or

(B) The date the deposit is paid or the commencing date of annuity, whichever comes first, if the individual is a former employee.

(3) *Individuals who are annuitants or survivors as of November 6, 1990.* (i) OPM will notify annuitants and survivors of the amount of the deposit and give them a proposed installment schedule for paying the deposit from monthly annuity payments. The proposed installment payments will consist of equal monthly payments that will not exceed a period 24 months from the date a complete written application is received by OPM.

(ii) The annuitant or survivor may allow the installments to be deducted from his or her annuity as proposed or make payment in a lump sum within 30 days from the date of the notice.

(iii) Increased annuity payments will begin to accrue the first day of the month after OPM receives a complete written application.

(iv) If an annuitant dies before completing the deposit installment payments, the remaining installments will be deducted as established for the annuitant, from benefits payable to the survivor annuitant (but not if the only survivor benefit is payable to a child or children of the deceased), if any. If no survivor annuity is payable, OPM may collect the balance of the deposit from any lump-sum benefits payable or the decedent's estate, if any.

(4) *Former employees who separated after December 31, 1968, but before November 6, 1990.* A former employee with title to a deferred annuity that commences after November 6, 1990, will be billed for the amount of the deposit due and informed of the procedures for sending payments to OPM. If payment is to be made in installments, each payment must be at least $50 and the total deposit due must be completed before final adjudication of the retirement claim, unless the deposit is deemed made when he or she elects an alternative form of annuity.

[56 FR 6554, Feb. 19, 1991, as amended at 56 FR 55595, Oct. 29, 1991; 56 FR 67467, Dec. 31, 1991]

§ 831.307 Contract service.

Contract service with the United States will only be included in the computation of, or used to establish title to, an annuity under subchapter III of chapter 83 of title 5, United States Code, if—

(a) The employing agency exercised an explicit statutory authority to appoint an individual into the civil service by contract; or

(b) The head of the agency which was party to the contract, based on a timely-filed application, in accordance with section 110 of Public Law 100–238, and the regulations promulgated by OPM pursuant to that statute, certifies that the agency intended that an individual be considered as having been appointed to a position in which (s)he would have been subject to subchapter III of chapter 83 of title 5, United States Code,