Employee means employee as defined in §842.102 of this chapter or Member as defined in section 8401(20) of title 5, United States Code.

Employee deduction means the portion of the normal cost of FERS coverage which is deducted from an employee’s basic pay.

FERS means chapter 84 of title 5, United States Code.

Fund means the Civil Service Retirement and Disability Fund.

Normal cost percentage or normal cost means the entryage normal cost of the provisions of FERS which relate to the Fund, computed by the Office in accordance with generally accepted actuarial practice and standards (using dynamic assumptions) and expressed as a level percentage of aggregate basic pay. Normal cost percentage or normal cost include both agency and employee contributions.

Social security means old age, survivors and disability insurance under section 3101(a) of the Internal Revenue Code of 1954.

§ 841.503 Amounts of employee deductions.

(a) Except as provided in paragraph (b) of this section, the rate of employee deductions from basic pay for FERS coverage is seven percent of basic pay minus the percent of tax which is (or would be) in effect for the payment, for the employee cost of social security.

(b) The rate of employee deductions from basic pay for FERS coverage for a Member, law enforcement officer, firefighter, air traffic controller, Congressional employee, or employee under section 302 of the Central Intelligence Agency Act of 1964 for Certain Employees is seven and one-half percent of basic pay, minus the percent of tax which is (or would be) in effect for the payment, for the employee cost of social security.

(c) Employee deductions will be at the rate in paragraph (a) or (b) of this section as if social security deductions were being made even if social security deductions have ceased because of the amount of earnings during the year, or are not made for any other reason.

[52 FR 2057, Jan. 16, 1987, as amended at 52 FR 25197, July 6, 1987]
(i) Upon the death of an employee whose tour of duty is less than full time, the employing agency must certify to OPM—

(1) The number of hours that the employee was entitled to basic pay (whether in a duty or paid-leave status) in the employee’s work year immediately preceding the end of the last pay period in which the employee was in a pay status; and

(2) If the employee’s tour of duty was part time (regularly scheduled), the number of hours of work in the employee’s tour of duty.

§ 841.505 Correction of error.

(a) When it is determined that an agency has paid less than the correct total amount of the normal cost for any or all of its current or past employees, for any reason whatsoever, including but not limited to, coverage decisions, correction of the percentage applicable or of the amount of basic pay, or additional payment of basic pay, the agency must pay the total additional amount payable under 5 U.S.C. 8423 and subpart D of this part to the Fund.

(b) Employee deductions and normal cost percentage. For the duration of the appointment, the agency will withhold the appropriate employee deduction from any payment of additional basic pay which is part of, or the result of, the corrective action.

(c) The payment to the Fund described in paragraph (a) of this section shall be made as soon as possible, but not later than provided by standards established by OPM, regardless of whether or when the portion which should have been deducted from employee basic pay is recovered by the agency.

(d) Any portion of the payment to the Fund described in paragraph (a) of this section which should have been deducted, but was not, from employee basic pay constitutes an overpayment of pay, subject to collection by the agency from the employee, unless waived under applicable authority such as 5 U.S.C. 5584.

(e) Corrections and the related agency payments and employee deductions will be reported to OPM in the manner prescribed by OPM.

§ 841.506 Effect of part 772 of this chapter on FERS payments.

(a) Agency notification to OPM. (1) When it is determined that a FERS employee is to be given interim relief under 5 U.S.C. 7701(b)(2)(A), the employing agency must notify OPM of the effective date of the interim appointment under § 772.102 of this chapter. The notice must specify that the appointment is required by the Whistleblower Protection Act of 1989.

(2) When the MSPB initial decision cancelling the employee’s separation becomes final, when the Board issues a final order cancelling the retiree’s separation, or when the agency agrees to cancel the separation, the employing agency must notify OPM of the date the interim appointment ends and request the amount of the erroneous payment to be recovered under §550.805(e) of this chapter from any back pay adjustment to which the employee may be entitled.

(b) Employee deductions and normal cost percentage. For the duration of the appointment, the agency will withhold the appropriate employee deduction and contribute the total amount of the normal cost percentage for the employee as prescribed by OPM. If and when a separation action is cancelled, the agency must make the corrections specified under §841.507 of this subpart.

§ 841.507 Correction of unjustified or unwarranted personnel action.

(a) When an “appropriate authority” determines that there has been an “unjustified or unwarranted personnel action” as these terms are defined in subpart H of part 550 of this title, the employing agency will pay the Fund the amount of the normal cost percentage of the basic pay included in back pay. The normal cost percentage owed the Fund is computed on the amount of gross basic pay without regard to deductions described in §550.805(e) of this chapter for other amounts earned or erroneous payments received.

(b) The agency will withhold the appropriate employee deductions from