

ity, the full amount of the deficiency described in subclause (I).

“(D) ALTERNATIVE ELECTION FOR AN INDIVIDUAL THEN PARTICIPATING IN FERS.—

“(i) APPLICABILITY.—This subparagraph applies with respect to any individual who—

“(I) is then currently participating in FERS; and

“(II) would then otherwise be eligible to make an election under subparagraphs (A) through (C) of this paragraph, determined disregarding the matter in subclause (I) of subparagraph (B) before the first semicolon therein.

“(ii) ELECTION.—An individual described in clause (i) may, instead of making an election for which such individual is otherwise eligible under this paragraph, elect to have all prior qualifying NAFI service of such individual treated as creditable service for purposes of any annuity under FERS payable out of the Civil Service Retirement and Disability Fund.

“(iii) QUALIFYING NAFI SERVICE.—For purposes of this subparagraph, the term ‘qualifying NAFI service’ means any service which, but for this subparagraph, would be creditable for purposes of any retirement system established for employees described in section 2105(c) of title 5, United States Code.

“(iv) SERVICE CEASES TO BE CREDITABLE FOR NAFI RETIREMENT SYSTEM PURPOSES.—Any qualifying NAFI service that becomes creditable for FERS purposes by virtue of an election made under this subparagraph shall not be creditable for purposes of any retirement system referred to in clause (iii).

“(v) CONDITIONS.—An election under this subparagraph shall be subject to requirements, similar to those set forth in subparagraph (C), to ensure that—

“(I) appropriate transfers of individual and Government contributions are made to the Civil Service Retirement and Disability Fund; and

“(II) the actuarial present value of future benefits under FERS attributable to service made creditable by such election is fully funded.

“(E) ALTERNATIVE ELECTION FOR AN INDIVIDUAL THEN PARTICIPATING IN A NAFI RETIREMENT SYSTEM.—

“(i) APPLICABILITY.—This subparagraph applies with respect to any individual who—

“(I) is then currently participating in any retirement system established for employees described in section 2105(c) of title 5, United States Code (in this subparagraph referred to as a ‘NAFI retirement system’); and

“(II) would then otherwise be eligible to make an election under subparagraphs (A) through (C) of this paragraph (determined disregarding the matter in subclause (I) of subparagraph (B) before the first semicolon therein) based on a move from FERS.

“(ii) ELECTION.—An individual described in clause (i) may, instead of making an election for which such individual is otherwise eligible under this paragraph, elect to have all prior qualifying FERS service of such individual treated as creditable service for purposes of determining eligibility for benefits under a NAFI retirement system, but not for purposes of computing the amount of any such benefits except as provided in clause (v)(II).

“(iii) QUALIFYING FERS SERVICE.—For purposes of this subparagraph, the term ‘qualifying FERS service’ means any service which, but for this subparagraph, would be creditable for purposes of the Federal Employees’ Retirement System.

“(iv) SERVICE CEASES TO BE CREDITABLE FOR PURPOSES OF FERS.—Any qualifying FERS service that becomes creditable for NAFI purposes by virtue of an election made under this subparagraph shall not be creditable for purposes of the Federal Employees’ Retirement System.

“(v) FUNDING REQUIREMENTS.—

“(I) IN GENERAL.—Except as provided in subclause (II), nothing in this section or in any other provision of law or any other authority shall be considered to require any payment or transfer of monies in order for an election under this subparagraph to be effective.

“(II) CONTRIBUTION REQUIRED ONLY IF INDIVIDUAL ELECTS TO HAVE SERVICE MADE CREDITABLE FOR COMPUTATION PURPOSES AS WELL.—Under regulations prescribed by the appropriate administrative authority, an individual making an election under this subparagraph may further elect to have the qualifying FERS service made creditable for computation purposes under a NAFI retirement system, but only if the individual pays or arranges to pay, at a time and in a manner satisfactory to such administrative authority, the amount necessary to fully fund the actuarial present value of future benefits under the NAFI retirement system attributable to the qualifying FERS service.

“(3) INFORMATION.—The regulations under subsection (b) shall include provisions under which any individual—

“(A) shall, upon request, be provided information or assistance in determining whether such individual is eligible to make an election under paragraph (2) and, if so, the exact amount of any payment which would be required of such individual in connection with any such election; and

“(B) may seek any other information or assistance relating to any such election.”

TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions of law requiring submittal to Congress of any annual, semiannual, or other regular periodic report listed in House Document No. 103-7 (in which the report required by subsec. (f) of this section is listed on page 187), see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance.

TRANSFER OF FUNCTIONS

For transfer of authorities, functions, personnel, and assets of the Coast Guard, including the authorities and functions of the Secretary of Transportation relating thereto, to the Department of Homeland Security, and for treatment of related references, see sections 468(b), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

TREATMENT OF INDIVIDUALS ELECTING TO REMAIN SUBJECT TO THEIR FORMER RETIREMENT SYSTEM

For provisions relating to the deductions and contributions required with respect to individuals electing under section 8347(q) or 8461(n) of this title to remain covered under subchapter III of chapter 83 of this title, chapter 84 of this title, or a retirement system for employees described in section 2105(c) of this title, see section 7202(n) of Pub. L. 101-508, set out as a note under section 2105 of this title.

§ 8348. Civil Service Retirement and Disability Fund

(a) There is a Civil Service Retirement and Disability Fund. The Fund—

(1) is appropriated for the payment of—

(A) benefits as provided by this subchapter or by the provisions of chapter 84 of this title which relate to benefits payable out of the Fund; and

(B) administrative expenses incurred by the Office of Personnel Management in placing in effect each annuity adjustment grant-

ed under section 8340 or 8462 of this title, in administering survivor annuities and elections providing therefor under sections 8339 and 8341 of this title or subchapters II and IV of chapter 84 of this title, in administering alternative forms of annuities under sections 8343a and 8420a (and related provisions of law), in making an allotment or assignment made by an individual under section 8345(h) or 8465(b) of this title, in administering fraud prevention under sections 8345, 8345a, 8466, and 8466a of this title, and in withholding taxes pursuant to section 3405 of title 26 or section 8345(k) or 8469 of this title;

(2) is made available, subject to such annual limitation as the Congress may prescribe, for any expenses incurred by the Office in connection with the administration of this chapter, chapter 84 of this title, and other retirement and annuity statutes; and

(3) is made available, subject to such annual limitation as the Congress may prescribe, for any expenses incurred by the Merit Systems Protection Board in the administration of appeals authorized under sections 8347(d) and 8461(e) of this title.

(b) The Secretary of the Treasury may accept and credit to the Fund money received in the form of a donation, gift, legacy, or bequest, or otherwise contributed for the benefit of civil-service employees generally.

(c) The Secretary shall immediately invest in interest-bearing securities of the United States such currently available portions of the Fund as are not immediately required for payments from the Fund. The income derived from these investments constitutes a part of the Fund.

(d) The purposes for which obligations of the United States may be issued under chapter 31 of title 31 are extended to authorize the issuance at par of public-debt obligations for purchase by the Fund. The obligations issued for purchase by the Fund shall have maturities fixed with due regard for the needs of the Fund and bear interest at a rate equal to the average market yield computed as of the end of the calendar month next preceding the date of the issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of that calendar month. If the average market yield is not a multiple of $\frac{1}{8}$ of 1 percent, the rate of interest on the obligations shall be the multiple of $\frac{1}{8}$ of 1 percent nearest the average market yield.

(e) The Secretary may purchase other interest-bearing obligations of the United States, or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price only if he determines that the purchases are in the public interest.

(f) Any statute which authorizes—

(1) new or liberalized benefits payable from the Fund, including annuity increases other than under section 8340 of this title;

(2) extension of the coverage of this subchapter to new groups of employees; or

(3) increases in pay on which benefits are computed;

is deemed to authorize appropriations to the Fund to finance the unfunded liability created

by that statute, in 30 equal annual installments with interest computed at the rate used in the then most recent valuation of the Civil Service Retirement System and with the first payment thereof due as of the end of the fiscal year in which each new or liberalized benefit, extension of coverage, or increase in pay is effective.

(g) At the end of each fiscal year, the Office shall notify the Secretary of the Treasury of the amount equivalent to (1) interest on the unfunded liability computed for that year at the interest rate used in the then most recent valuation of the System, and (2) that portion of disbursement for annuities for that year which the Office estimates is attributable to credit allowed for military service, less an amount determined by the Office to be appropriate to reflect the value of the deposits made to the credit of the Fund under section 8334(j) of this title. Before closing the accounts for each fiscal year, the Secretary shall credit to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated, the following percentages of such amounts: 10 percent for 1971; 20 percent for 1972; 30 percent for 1973; 40 percent for 1974; 50 percent for 1975; 60 percent for 1976; 70 percent for 1977; 80 percent for 1978; 90 percent for 1979; and 100 percent for 1980 and for each fiscal year thereafter.

(h)(1) In this subsection, the term “Postal surplus or supplemental liability” means the estimated difference, as determined by the Office, between—

(A) the actuarial present value of all future benefits payable from the Fund under this subchapter to current or former employees of the United States Postal Service and attributable to civilian employment with the United States Postal Service; and

(B) the sum of—

(i) the actuarial present value of deductions to be withheld from the future basic pay of employees of the United States Postal Service currently subject to this subchapter under section 8334;

(ii) that portion of the Fund balance, as of the date the Postal surplus or supplemental liability is determined, attributable to payments to the Fund by the United States Postal Service and its employees, minus benefit payments attributable to civilian employment with the United States Postal Service, plus the earnings on such amounts while in the Fund; and

(iii) any other appropriate amount, as determined by the Office in accordance with generally accepted actuarial practices and principles.

(2)(A) Not later than June 15, 2007, the Office shall determine the Postal surplus or supplemental liability, as of September 30, 2006. If that result is a surplus, the amount of the surplus shall be transferred to the Postal Service Retiree Health Benefits Fund established under section 8909a by June 30, 2007.

(B) The Office shall redetermine the Postal surplus or supplemental liability as of the close of the fiscal year, for each fiscal year beginning after September 30, 2007, through the fiscal year ending September 30, 2038. If the result is a sur-

plus, that amount shall remain in the Fund until distribution is authorized under subparagraph (C). Beginning June 15, 2017, if the result is a supplemental liability, the Office shall establish an amortization schedule, including a series of annual installments commencing on September 30 of the subsequent fiscal year, which provides for the liquidation of such liability by September 30, 2043.

(C) As of the close of the fiscal years ending September 30, 2015, 2025, 2035, and 2039, if the result is a surplus, that amount shall be transferred to the Postal Service Retiree Health Benefits Fund, and any prior amortization schedule for payments shall be terminated.

(D) Amortization schedules established under this paragraph shall be set in accordance with generally accepted actuarial practices and principles, with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System.

(E) The United States Postal Service shall pay the amounts so determined to the Office, with payments due not later than the date scheduled by the Office.

(3) Notwithstanding any other provision of law, in computing the amount of any payment under any other subsection of this section that is based upon the amount of the unfunded liability, such payment shall be computed disregarding that portion of the unfunded liability that the Office determines will be liquidated by payments under this subsection.

(i)(1) Notwithstanding any other provision of law, the Panama Canal Commission shall be liable for that portion of any estimated increase in the unfunded liability of the fund which is attributable to any benefits payable from the Fund to or on behalf of employees and their survivors to the extent attributable to the amendments made by sections 1241 and 1242, and the provisions of sections 1231(b) and 1243(a)(1), of the Panama Canal Act of 1979, and the amendments made by section 3506 of the Panama Canal Commission Authorization Act for Fiscal Year 1991.

(2) The estimated increase in the unfunded liability referred to in paragraph (1) of this subsection shall be determined by the Office of Personnel Management. The Panama Canal Commission shall pay to the Fund from funds available to it for that purpose the amount so determined in annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System.

(j)(1) Notwithstanding subsection (c) of this section, the Secretary of the Treasury may suspend additional investment of amounts in the Fund if such additional investment could not be made without causing the public debt of the United States to exceed the public debt limit.

(2) Any amounts in the Fund which, solely by reason of the public debt limit, are not invested shall be invested by the Secretary of the Treasury as soon as such investments can be made without exceeding the public debt limit.

(3) Upon expiration of the debt issuance suspension period, the Secretary of the Treasury shall immediately issue to the Fund obligations under chapter 31 of title 31 that (notwithstanding subsection (d) of this section) bear such

interest rates and maturity dates as are necessary to ensure that, after such obligations are issued, the holdings of the Fund will replicate to the maximum extent practicable the obligations that would then be held by the Fund if the suspension of investment under paragraph (1) of this subsection, and any redemption or disinvestment under subsection (k) of this section for the purpose described in such paragraph, during such period had not occurred.

(4) On the first normal interest payment date after the expiration of any debt issuance suspension period, the Secretary of the Treasury shall pay to the Fund, from amounts in the general fund of the Treasury of the United States not otherwise appropriated, an amount determined by the Secretary to be equal to the excess of—

(A) the net amount of interest that would have been earned by the Fund during such debt issuance suspension period if—

(i) amounts in the Fund that were not invested during such debt issuance suspension period solely by reason of the public debt limit had been invested, and

(ii) redemptions and disinvestments with respect to the Fund which occurred during such debt issuance suspension period solely by reason of the public debt limit had not occurred, over

(B) the net amount of interest actually earned by the Fund during such debt issuance suspension period.

(5) For purposes of this subsection and subsections (k) and (l) of this section—

(A) the term “public debt limit” means the limitation imposed by section 3101(b) of title 31; and

(B) the term “debt issuance suspension period” means any period for which the Secretary of the Treasury determines for purposes of this subsection that the issuance of obligations of the United States may not be made without exceeding the public debt limit.

(k)(1) Subject to paragraph (2) of this subsection, the Secretary of the Treasury may sell or redeem securities, obligations, or other invested assets of the Fund before maturity in order to prevent the public debt of the United States from exceeding the public debt limit.

(2) The Secretary may sell or redeem securities, obligations, or other invested assets of the Fund under paragraph (1) of this subsection only during a debt issuance suspension period, and only to the extent necessary to obtain any amount of funds not exceeding the amount equal to the total amount of the payments authorized to be made from the Fund under the provisions of this subchapter or chapter 84 of this title or related provisions of law during such period. A sale or redemption may be made under this subsection even if, before the sale or redemption, there is a sufficient amount in the Fund to ensure that such payments are made in a timely manner.

(l)(1) The Secretary of the Treasury shall report to Congress on the operation and status of the Fund during each debt issuance suspension period for which the Secretary is required to take action under paragraph (3) or (4) of subsection (j) of this section. The report shall be

submitted as soon as possible after the expiration of such period, but not later than the date that is 30 days after the first normal interest payment date occurring after the expiration of such period.

(2) Whenever the Secretary of the Treasury determines that, by reason of the public debt limit, the Secretary will be unable to fully comply with the requirements of subsection (c) of this section, the Secretary shall immediately notify Congress of the determination. The notification shall be made in writing.

(Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 584; Pub. L. 90-83, §1(85), Sept. 11, 1967, 81 Stat. 218; Pub. L. 91-93, title I, §103(a), Oct. 20, 1969, 83 Stat. 137; Pub. L. 93-349, §1, July 12, 1974, 88 Stat. 354; Pub. L. 94-183, §2(37), Dec. 31, 1975, 89 Stat. 1058; Pub. L. 95-454, title IX, §906(a)(2), (3), Oct. 13, 1978, 92 Stat. 1224; Pub. L. 96-70, title I, §1244, Sept. 27, 1979, 93 Stat. 474; Pub. L. 97-253, title III, §306(f), Sept. 8, 1982, 96 Stat. 797; Pub. L. 97-346, §3(g), Oct. 15, 1982, 96 Stat. 1648; Pub. L. 98-216, §3(a)(5), Feb. 14, 1984, 98 Stat. 6; Pub. L. 98-615, §2(7), Nov. 8, 1984, 98 Stat. 3202; Pub. L. 99-335, title II, §207(j), June 6, 1986, 100 Stat. 597; Pub. L. 99-509, title VI, §6002, Oct. 21, 1986, 100 Stat. 1931; Pub. L. 100-203, title V, §5428(d), Dec. 22, 1987, 101 Stat. 1330-274; Pub. L. 101-239, title IV, §4002(a), Dec. 19, 1989, 103 Stat. 2133; Pub. L. 101-508, title VII, §§7001(a)(3), 7101(a), Nov. 5, 1990, 104 Stat. 1388-328, 1388-331; Pub. L. 101-510, div. C, title XXXV, §3506(c), Nov. 5, 1990, 104 Stat. 1847; Pub. L. 103-424, §10, Oct. 29, 1994, 108 Stat. 4366; Pub. L. 104-52, title IV, §2, Nov. 19, 1995, 109 Stat. 490; Pub. L. 104-316, title I, §103(h), Oct. 19, 1996, 110 Stat. 3829; Pub. L. 105-362, title XIII, §1302(c), Nov. 10, 1998, 112 Stat. 3293; Pub. L. 108-18, §2(c), (d)(1)(A), Apr. 23, 2003, 117 Stat. 625, 626; Pub. L. 109-435, title VIII, §802(a)(2), Dec. 20, 2006, 120 Stat. 3249; Pub. L. 116-126, §3(a), Mar. 18, 2020, 134 Stat. 176.)

HISTORICAL AND REVISION NOTES
1966 ACT

<i>Derivation</i>	<i>U.S. Code</i>	<i>Revised Statutes and Statutes at Large</i>
(a)-(f)	5 U.S.C. 2267.	July 31, 1956, ch. 804, §401 "Sec. 17", 70 Stat. 759. Oct. 4, 1961, Pub. L. 87-350, §1(a), 75 Stat. 770.
(g)	[Uncodified].	Aug. 28, 1958, Pub. L. 85-844, §101 (par. under "Civil Service Retirement and Disability Fund"), 72 Stat. 1064.

In subsection (a), the first sentence is based on former section 2251(f), which is carried into section 8331.

In subsection (f), the words "to carry out this subchapter" are substituted for "to continue this chapter in full force and effect".

In subsection (g), the words "after the enactment of this Act" are omitted as executed.

Standard changes are made to conform with the definitions applicable and the style of this title as outlined in the preface to the report.

1967 ACT

<i>Section of title 5</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
8348(a)	5 App.: 2267(a).	Sept. 27, 1965, Pub. L. 89-205, §1(b), 79 Stat. 840.

The change in subsection (f) is made for uniformity in style and because the full title of the Commission appears in subsection (a).

Editorial Notes

REFERENCES IN TEXT

Sections 1241 and 1242 of the Panama Canal Act of 1979 [Pub. L. 96-70], referred to in subsec. (i)(1), amended sections 8336 and 8339 of this title, respectively.

Sections 1231(b) and 1243(a)(1) of the Panama Canal Act of 1979 [Pub. L. 96-70], referred to in subsec. (i)(1), are classified to sections 3671(b) and 3681(a)(1) of Title 22, Foreign Relations and Intercourse, respectively.

Section 3506 of the Panama Canal Commission Authorization Act for Fiscal Year 1991 [Pub. L. 101-510, div. C, title XXXV], referred to in subsec. (i)(1), amended sections 8336, 8339, and 8348 of this title.

AMENDMENTS

2020—Subsec. (a)(1)(B). Pub. L. 116-126 inserted "in administering fraud prevention under sections 8345, 8345a, 8466, and 8466a of this title," after "8465(b) of this title."

2006—Subsec. (h). Pub. L. 109-435 amended subsec. (h) generally. Prior to amendment, subsec. (h) related to postal supplemental liability.

2003—Subsec. (h). Pub. L. 108-18, §2(c), amended subsec. (h) generally. Prior to amendment, subsec. (h) read as follows:

"(h)(1) Notwithstanding any other statute, the United States Postal Service shall be liable for that portion of any estimated increase in the unfunded liability of the Fund which is attributable to any benefits payable from the Fund to active and retired Postal Service officers and employees, and to their survivors, when the increase results from an employee-management agreement under title 39, or any administrative action by the Postal Service taken pursuant to law, which authorizes increases in pay on which benefits are computed.

"(2) The estimated increase in the unfunded liability, referred to in paragraph (1) of this subsection, shall be determined by the Office of Personnel Management. The United States Postal Service shall pay the amount so determined to the Office in 30 equal annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System, with the first payment thereof due at the end of the fiscal year in which an increase in pay becomes effective."

Subsec. (m). Pub. L. 108-18, §2(d)(1)(A), struck out subsec. (m) which read as follows:

"(m)(1) Notwithstanding any other provision of law, the United States Postal Service shall be liable for that portion of any estimated increase in the unfunded liability of the Fund which is attributable to any benefits payable from the Fund to former employees of the Postal Service who first become annuitants by reason of separation from the Postal Service on or after July 1, 1971, or to their survivors, or to the survivors of individuals who die on or after July 1, 1971, while employed by the Postal Service, when the increase results from a cost-of-living adjustment under section 8340 of this title.

"(2) The estimated increase in the unfunded liability referred to in paragraph (1) of this subsection shall be determined by the Office after consultation with the Postal Service. The Postal Service shall pay the amount so determined to the Office in 15 equal annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System, and with the first payment thereof due at the end of the fiscal year in which the cost-of-living adjustment with respect to which the payment relates becomes effective.

"(3) In determining any amount for which the Postal Service is liable under this subsection, the amount of the liability shall be prorated to reflect only that por-

tion of total service (used in computing the benefits involved) which is attributable to civilian service performed after June 30, 1971, as estimated by the Office.”

1998—Subsec. (g). Pub. L. 105-362 struck out at end “The Office shall report to the President and to the Congress the sums credited to the Fund under this subsection.”

1996—Subsec. (l)(1). Pub. L. 104-316 struck out at end “The Secretary shall concurrently transmit a copy of such report to the Comptroller General of the United States.”

1995—Subsec. (a)(1)(B). Pub. L. 104-52 inserted “in making an allotment or assignment made by an individual under section 8345(h) or 8465(b) of this title,” after “of law),” and “or section 8345(k) or 8469 of this title” before semicolon at end.

1994—Subsec. (a)(3). Pub. L. 103-424 added par. (3).

1990—Subsec. (a)(1)(B). Pub. L. 101-508, §7001(a)(3), inserted “in administering alternative forms of annuities under sections 8343a and 8420a (and related provisions of law),” before “and in withholding”.

Subsec. (i)(1). Pub. L. 101-510 substituted “1979, and the amendments made by section 3506 of the Panama Canal Commission Authorization Act for Fiscal Year 1991” for “1979”.

Subsec. (m)(1). Pub. L. 101-508, §7101(a), substituted “July 1, 1971” for “October 1, 1986” in two places.

1989—Subsec. (m). Pub. L. 101-239 added subsec. (m).

1987—Subsec. (i)(2). Pub. L. 100-203 substituted “The Panama Canal Commission shall pay to the Fund from funds available to it” for “The Secretary of the Treasury shall pay to the Fund from appropriations”.

1986—Subsec. (a). Pub. L. 99-335 inserted reference to provisions of chapter 84 of this title which relate to benefits payable out of the Fund in par. (1)(A), inserted “or 8462” and reference to subchapters II and IV of chapter 84 of this title in par. (1)(B), and inserted reference to chapter 84 of this title in par. (2).

Subsecs. (j) to (l). Pub. L. 99-509 added subsecs. (j) to (l).

1984—Subsec. (a)(1)(B). Pub. L. 98-615 inserted “, in administering survivor annuities and elections providing therefor under sections 8339 and 8341 of this title,”.

Subsec. (d). Pub. L. 98-216 substituted “chapter 31 of title 31” for “the Second Liberty Bond Act, as amended,”.

1982—Subsec. (a)(1)(B). Pub. L. 97-346 inserted “and in withholding taxes pursuant to section 3405 of title 26”.

Subsec. (g). Pub. L. 97-253, §306(f), inserted “, less an amount determined by the Office to be appropriate to reflect the value of the deposits made to the credit of the Fund under section 8334(j) of this title” after “allowed for military service”.

1979—Subsec. (i). Pub. L. 96-70 added subsec. (i).

1978—Subsecs. (a), (g), (h)(2). Pub. L. 95-454 substituted “Office of Personnel Management” and “Office” for “Civil Service Commission” and “Commission”, respectively, wherever appearing.

1975—Subsec. (h)(2). Pub. L. 94-183 substituted “30” for “thirty”.

1974—Subsec. (h). Pub. L. 93-349 added subsec. (h).

1969—Subsec. (a). Pub. L. 91-93, §103(a)(1), designated existing provisions as par. (1)(A) and (B) and added par. (2).

Subsec. (f). Pub. L. 91-93, §103(a)(2), added subsec. (f) and struck out former subsec. (f) which required the Commission to submit estimates of appropriations necessary to finance the Fund on a normal cost plus interest basis and to carry out this subchapter.

Subsec. (g). Pub. L. 91-93, §103(a)(2), added subsec. (g) and struck out former subsec. (g) which contained restriction against use of Fund money to pay an increase in annuity benefits or a new annuity benefit under this subchapter or an earlier statute without an appropriation being made to the Fund in a sufficient amount to prevent an immediate increase in the unfunded accrued liability of the Fund.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by Pub. L. 109-435 effective Oct. 1, 2006, see section 805(a) of Pub. L. 109-435, set out as a note under section 8334 of this title.

EFFECTIVE DATE OF 2003 AMENDMENT

Pub. L. 108-18, §2(d)(2), Apr. 23, 2003, 117 Stat. 627, provided that: “Nothing in this subsection [repealing subsec. (m) of this section and provisions set out as a note under this section] shall be considered to affect any payments made before the date of the enactment of this Act [Apr. 23, 2003] under either of the provisions of law repealed by paragraph (1).”

EFFECTIVE DATE OF 1990 AMENDMENT

Section 7101(d) of Pub. L. 101-508 provided that: “This section and the amendments made by this section [amending this section, enacting provisions set out as a note under this section, and repealing provisions set out as notes under this section] shall take effect on October 1, 1990.”

EFFECTIVE DATE OF 1989 AMENDMENT

Section 4002(b)(1) of Pub. L. 101-239, which provided that section 4002 of Pub. L. 101-239 (amending this section and enacting provisions set out as notes under this section) be effective as of Oct. 1, 1986, was repealed by Pub. L. 101-508, title VII, §7101(b), Nov. 5, 1990, 104 Stat. 1388-331.

EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by Pub. L. 100-203 effective Jan. 1, 1988, see section 5429 of Pub. L. 100-203, set out as a note under section 3712 of Title 22, Foreign Relations and Intercourse.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-335 effective Jan. 1, 1987, see section 702(a) of Pub. L. 99-335, set out as an Effective Date note under section 8401 of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-615 effective May 7, 1985, with enumerated exceptions and specific applicability provisions, see section 4(a)(1), (5)(D) of Pub. L. 98-615, as amended, set out as a note under section 8341 of this title.

EFFECTIVE DATE OF 1982 AMENDMENTS

Amendment by Pub. L. 97-346 effective Sept. 8, 1982, see section 3(n) of Pub. L. 97-346, set out as a note under section 8332 of this title.

Amendment by Pub. L. 97-253 effective Oct. 1, 1982, except that any employee or Member who retired after Sept. 8, 1982, and before Oct. 1, 1985, or is entitled to an annuity under chapter 83 of this title based on a separation from service occurring during such period, or a survivor of such individual, may make a payment under section 8334(j)(1) of this title, and regulations required to be issued under section 8334(j)(1) of this title, to be issued by the Office of Personnel Management within 90 days after such effective date, see section 306(g) of Pub. L. 97-253, as amended, set out as a note under section 8331 of this title.

EFFECTIVE DATE OF 1979 AMENDMENT

Amendment by Pub. L. 96-70 effective Oct. 1, 1979, see section 3304 of Pub. L. 96-70, set out as an Effective Date note under section 3601 of Title 22, Foreign Relations and Intercourse.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-454 effective 90 days after Oct. 13, 1978, see section 907 of Pub. L. 95-454, set out as a note under section 1101 of this title.

EFFECTIVE DATE OF 1974 AMENDMENT

Amendment by Pub. L. 93-349 effective July 1, 1971, except that the Postal Service shall not be required to make (1) the payments due June 30, 1972, June 30, 1973, and June 30, 1974, attributable to pay increases granted by the Postal Service prior to July 1, 1973, until such time as funds are appropriated to the Postal Service for that purpose, and (2) the transfer to the Civil Service Retirement and Disability Fund required by title II of the Treasury, Postal Service, and General Government Appropriation Act, 1974, Public Law 93-143, see section 3 of Pub. L. 93-349, set out as a note under section 1005 of Title 39, Postal Service.

EFFECTIVE DATE OF 1969 AMENDMENT

Section 103(b)(1) of Pub. L. 91-93 provided that: "The provisions of subsection (g) of section 8348 of title 5, United States Code, as contained in the amendment made by subsection (a)(2) of this section, shall become effective at the beginning of the fiscal year which ends on June 30, 1971."

REVIEW BY POSTAL REGULATORY COMMISSION

Pub. L. 109-435, title VIII, §802(c), Dec. 20, 2006, 120 Stat. 3250, provided that:

“(1) IN GENERAL.—

“(A) REQUEST FOR REVIEW.—Notwithstanding any other provision of this section [amending this section and section 8334 of this title] (including any amendment made by this section), any determination or redetermination made by the Office of Personnel Management under this section (including any amendment made by this section) shall, upon request of the United States Postal Service, be subject to a review by the Postal Regulatory Commission under this subsection.

“(B) REPORT.—Upon receiving a request under subparagraph (A), the Commission shall promptly procure the services of an actuary, who shall hold membership in the American Academy of Actuaries and shall be qualified in the evaluation of pension obligations, to conduct a review in accordance with generally accepted actuarial practices and principles and to provide a report to the Commission containing the results of the review. The Commission, upon determining that the report satisfies the requirements of this paragraph, shall approve the report, with any comments it may choose to make, and submit it with any such comments to the Postal Service, the Office of Personnel Management, and Congress.

“(2) RECONSIDERATION.—Upon receiving the report from the Commission under paragraph (1), the Office of Personnel Management shall reconsider its determination or redetermination in light of such report, and shall make any appropriate adjustments. The Office shall submit a report containing the results of its reconsideration to the Commission, the Postal Service, and Congress.”

PAYMENTS TO REIMBURSE FUND FOR INCREASE IN UNFUNDED LIABILITY

Pub. L. 105-261, div. C, title XXXI, §3154(l), Oct. 17, 1998, 112 Stat. 2256, provided that:

“(1) The Department of Energy shall pay into the Civil Service Retirement and Disability Fund an amount determined by the Director of the Office of Personnel Management to be necessary to reimburse the Fund for any estimated increase in the unfunded liability of the Fund resulting from the amendments related to the Civil Service Retirement System under this section [amending sections 3307, 8331, 8334 to 8336, 8401, 8412, 8415, 8422, 8423, and 8425 of this title], and for any estimated increase in the supplemental liability of the Fund resulting from the amendments related to the Federal Employees Retirement System under this section.

“(2) The Department shall pay the amount so determined in five equal annual installments with interest computed at the rate used in the most recent valuation of the Federal Employees Retirement System.

“(3) The Department shall make payments under this subsection from amounts available for weapons activities of the Department.”

PAYMENTS BY POSTAL SERVICE RELATING TO CORRECTED CALCULATIONS FOR PAST RETIREMENT COLAS

Pub. L. 103-66, title XI, §11101(a), Aug. 10, 1993, 107 Stat. 413, required the United States Postal Service to pay into the Civil Service Retirement and Disability Fund a total of \$693,000,000 not later than September 30, 1998, in addition to other payments required by law.

TIMELY PROCESSING OF RETIREMENT BENEFITS

Pub. L. 102-484, div. D, title XLIV, §4436(d), Oct. 23, 1992, 106 Stat. 2724, as amended by Pub. L. 103-337, div. A, title III, §341(b)(2), Oct. 5, 1994, 108 Stat. 2720; Pub. L. 105-85, div. A, title XI, §1106(b)(2), Nov. 18, 1997, 111 Stat. 1924, provided that:

“(1) In order to ensure the timely processing of applications for retirement benefits, under the Civil Service Retirement System or the Federal Employees' Retirement System, for civilian employees of the Department of Defense and other employees who retire when their agency is undergoing a major reorganization, a major reduction in force, or a major transfer of function, the costs incurred by the Office of Personnel Management in processing any such application shall be deemed to be an administrative expense described in section 8348(a)(1)(B) of title 5, United States Code.

“(2) This subsection shall apply with respect to applications for retirement benefits based on separations occurring before January 1, 2002.”

PRE-1991 COST-OF-LIVING ADJUSTMENTS

Pub. L. 101-508, title VII, §7101(c), Nov. 5, 1990, 104 Stat. 1388-331, as amended by Pub. L. 102-378, §5(a)(1), Oct. 2, 1992, 106 Stat. 1358, related to pre-1991 cost-of-living adjustments, prior to repeal by Pub. L. 108-18, §2(d)(1)(B), Apr. 23, 2003, 117 Stat. 627.

PAYMENTS RELATING TO AMOUNTS WHICH WOULD HAVE BEEN DUE BEFORE FISCAL YEAR 1987

Pub. L. 101-508, title VII, §7103, Nov. 5, 1990, 104 Stat. 1388-333, required the United States Postal Service to pay, not later than Sept. 30, 1995, into the Civil Service Retirement and Disability Fund and into the Employees Health Benefits Fund certain sums for retirement COLA and health benefits which would have been due in any pre-1987 fiscal year if certain amendments had been in effect as of July 1, 1971.

CERTAIN POSTAL SERVICE ANNUITANTS; SIZE OF ANNUAL INSTALLMENTS TO FUND PREVIOUS YEARS' COLAS

Section 4002(b)(2) of Pub. L. 101-239, which provided that notwithstanding any provision of section 8348(m) of this title the estimated increase in the unfunded liability referred to in section 8348(m)(1) was to be payable based on annual installments equal to specified amounts for fiscal years 1987 to 1989, was repealed by Pub. L. 101-508, title VII, §7101(b), Nov. 5, 1990, 104 Stat. 1388-331.

CERTAIN POSTAL SERVICE ANNUITANTS; ADDITIONAL AMOUNT PAYABLE

Section 4002(b)(3) of Pub. L. 101-239, which provided that first payment made under provisions of section 8348(m) of this title was to include, in addition to the amount which would otherwise have been payable at that time, an amount equal to the sum of any amounts which would have been due under those provisions in any prior year if this section had been enacted before Oct. 1, 1986, and which provided the method of computation, was repealed by Pub. L. 101-508, title VII, §7101(b), Nov. 5, 1990, 104 Stat. 1388-331.

STATUS OF ORIGINAL SUBSEC. (g) PROVISIONS DURING PERIOD FROM OCT. 20, 1969 TO JUNE 30, 1970

Section 103(b)(2) of Pub. L. 91-93 provided that: “Paragraph (1) of this subsection [set out as Effective

Date of 1969 Amendment note above], shall not be held or considered to continue in effect after the enactment of this Act [Oct. 20, 1969], the provisions of section 8348(g) of title 5, United States Code, as in effect immediately prior to such enactment.”

INAPPLICABILITY TO BENEFITS UNDER PUB. L. 89-737 OF PROHIBITION AGAINST PAYMENT OF INCREASED ANNUITY BENEFIT WITHOUT COMPENSATING APPROPRIATION

Section 3 of Pub. L. 89-737, Nov. 2, 1966, 80 Stat. 1164, which provided that section 8348(g) of title 5, United States Code, does not apply with respect to annuity benefits resulting from the enactment of this Act [amending sections 8114, 8331, and 8704 of this title and section 1117 of former Title 5, Executive Departments and Government Officers and Employees], was repealed by Pub. L. 90-83, § 10(b), Sept. 11, 1967, 81 Stat. 223.

REDEMPTION OF OBLIGATIONS HELD PRIOR TO OCT. 4, 1961; REINVESTMENT OF PROCEEDS

Pub. L. 87-350, § 1(b) Oct. 4, 1961, 75 Stat. 770, provided that all special issues in which the civil service retirement and disability fund was invested in accordance with subsecs. (d) and (e) of this section before Oct. 4, 1961, were to be redeemed and the moneys reinvested by the Secretary of the Treasury in equal annual amounts over the period of ten calendar years beginning with the calendar year 1962.

§ 8349. Offset relating to certain benefits under the Social Security Act

(a)(1) Notwithstanding any other provision of this subchapter, if an individual under section 8402(b)(2) is entitled, or would on proper application be entitled, to old-age insurance benefits under title II of the Social Security Act, the annuity otherwise payable to such individual shall be reduced under this subsection.

(2) A reduction under this subsection commences beginning with the first month for which the individual both—

(A) is entitled to an annuity under this subchapter; and

(B) is entitled, or would on proper application be entitled, to old-age insurance benefits under title II of the Social Security Act.

(3)(A)(i) Subject to clause (ii) and subparagraphs (B) and (C), the amount of a reduction under this subsection shall be equal to the difference between—

(I) the old-age insurance benefit which would be payable to the individual for the month referred to in paragraph (2); and

(II) the old-age insurance benefit which would be so payable, excluding all wages derived from Federal service of the individual, and assuming the individual were fully insured (as defined by section 214(a) of the Social Security Act).

(ii) For purposes of this subsection, the amount of a benefit referred to in subclause (I) or (II) of clause (i) shall be determined without regard to subsections (b) through (l) of section 203 of the Social Security Act, and without regard to the requirement that an application for such benefit be filed.

(B) A reduction under this subsection—

(i) may not exceed an amount equal to the product of—

(I) the old-age insurance benefit to which the individual is entitled (or would on proper application be entitled) for the month re-

ferred to in paragraph (2), determined without regard to subsections (b) through (l) of section 203 of the Social Security Act; and

(II) a fraction, as determined under section 8421(b)(3) with respect to the individual, except that the reference to “service” in subparagraph (A) of such section shall be considered to mean Federal service; and

(ii) may not cause the annuity payment for an individual to be reduced below zero.

(C) An amount computed under subclause (I) or (II) of subparagraph (A)(i), or under subparagraph (B)(i)(I), for purposes of determining the amount of a reduction under this subsection shall be adjusted under section 8340 of this title.

(4) A reduction under this subsection applies with respect to the annuity otherwise payable to such individual under this subchapter (other than under section 8337) for the month involved—

(A) based on service of such individual; and

(B) without regard to section 8345(j), if otherwise applicable.

(5) The operation of the preceding paragraphs of this subsection shall not be considered for purposes of applying the provisions of the second sentence of section 215(a)(7)(B)(i) or the provisions of section 215(d)(5)(ii) of the Social Security Act in determining any amount under subclause (I) or (II) of paragraph (3)(A)(i) or paragraph (3)(B)(i)(I) for purposes of this subsection.

(b)(1) Notwithstanding any other provision of this subchapter—

(A) a disability annuity to which an individual described in section 8402(b)(2) is entitled under this subchapter, and

(B) a survivor annuity to which a person is entitled under this subchapter based on the service of an individual described in section 8402(b)(2),

shall be subject to reduction under this subsection if that individual or person is also entitled (or would on proper application also be entitled) to any similar benefits under title II of the Social Security Act based on the wages and self-employment income of such individual described in section 8402(b)(2).

(2)(A) Subject to subparagraph (B), reductions under this subsection shall be made in a manner consistent with the manner in which reductions under subsection (a) are computed and otherwise made.

(B) Reductions under this subsection shall be discontinued if, or for so long as, entitlement to the similar benefits under title II of the Social Security Act (as referred to in paragraph (1)) is terminated (or, in the case of an individual who has not made proper application therefor, would be terminated).

(3) For the purpose of applying section 224 of the Social Security Act to the disability insurance benefit used to compute the reduction under this subsection, the amount of the CSRS annuity considered shall be the amount of the CSRS annuity before application of this section.

(4) The Office shall prescribe regulations to carry out this subsection.

(c) For the purpose of this section, the term “Federal service” means service which is em-