

INSTRUCTIONS FOR ATTACHMENT 2-A THROUGH 2-D

Attachment 2-A through 2-D are examples of the distribution of money from the Retirement Fund and Social Security. You are responsible for accurately computing the amounts of retirement contributions and Social Security taxes. You can use these as a guide for completing one for each employee. Each employee should be given a breakdown of his/her employee contributions (both Social Security and the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS) during the barred years and the non-barred years. Give the employee an explanation of any differences in money (refund of retirement contributions, employee owes additional Social Security taxes, etc.).

ATTACHMENT 2-A

**EXAMPLES OF DISTRIBUTION OF EMPLOYEE CONTRIBUTIONS
BETWEEN RETIREMENT AND SOCIAL SECURITY**

(This worksheet is for the employee to understand what has happened with his/her money.)

**CSRS should be CSRS Offset/FERS
Social Security taxes and retirement contributions actually withheld**

		Base Pay	OASDI wages Reported	Social Security Taxes Paid	Retirement Contributions	Contribution Rate
Barred yrs	1996	55000	0	0	3850	7.00%
	1997	58000	0	0	4060	7.00%
	1998	60000	0	0	4200	7.00%
	1999	63000	0	0	4568	7.25%
	2000	65000	0	0	4810	7.40%
	Subtotal			0	21488	
Non-Barred yrs	2001	68000	0	0	4760	7.00%
	2002	70000	0	0	4900	7.00%
	2003	72000	0	0	5040	7.00%
	2004	75000	0	0	5250	7.00%
	Subtotal			0	19950	

Social Security taxes and retirement contributions that should be withheld

		Base Pay	OASDI wages Reported	Social Security Taxes Due	Retirement Contributions	Contribution Rate
Barred yrs	1996	55000	55000	3410	440	0.80%
	1997	58000	58000	3596	464	0.80%
	1998	60000	60000	3720	480	0.80%
	1999	63000	63000	3906	662	1.05%
	2000	65000	65000	4030	780	1.20%
	Subtotal			18662	2826	
Non-Barred yrs	2001	68000	68000	4216	544	0.80%
	2002	70000	70000	4340	560	0.80%
	2003	72000	72000	4464	576	0.80%
	2004	75000	75000	4650	600	0.80%
		Subtotal			17670	2280

Calculations

Barred years

Retirement contributions during barred years	21488
Social Security taxes due	18662
Retirement contributions due	2826

Non-Barred years

Retirement contributions during non-barred years	19950
Social Security taxes due	17670
Retirement contributions due	2280

CSRS should be CSRS Offset/FERS

Barred years vs. Non-barred years. The Internal Revenue Service has a retroactive tax adjustment statute of limitations for correcting Social Security tax payments (OASDI). This limitation is 3 years after that year's filing date. For example, if the coverage error occurred in year 2001, the filing deadline for tax year 2001 was April 15, 2002. Three years from April 15, 2002 is April 15, 2005. Tax adjustments can be made to these years. Years beyond this limit are known as barred years. Because of this limitation, employees who have government service during this time will receive full credit for that service.

Attachment 2-B

**FERS should be CSRS
Social Security taxes and retirement contributions actually withheld**

		Base Pay	OASDI wages Reported	Social Security Taxes Paid	Retirement Contributions	Contribution Rate
Barred yrs	1996	55000	55000	3410	440	0.80%
	1997	58000	58000	3596	464	0.80%
	1998	60000	60000	3720	480	0.80%
	1999	63000	63000	3906	662	1.05%
	2000	65000	65000	4030	780	1.20%
	Subtotal			18662	2826	
Non-Barred yrs	2001	68000	68000	4216	544	0.80%
	2002	70000	70000	4340	560	0.80%
	2003	72000	72000	4464	576	0.80%
	2004	75000	75000	4650	600	0.80%
	Subtotal			17670	2280	

Social Security taxes and retirement contributions that should be withheld

		Base Pay	OASDI wages Reported	Social Security Taxes Due	Retirement Contributions	Contribution Rate
Barred yrs	1996	55000	55000	0	3850	7.00%
	1997	58000	58000	0	4060	7.00%
	1998	60000	60000	0	4200	7.00%
	1999	63000	63000	0	4568	7.25%
	2000	65000	0	0	4810	7.40%
	Subtotal				21488	
Non-Barred yrs	2001	68000	0	0	4760	7.00%
	2002	70000	0	0	4900	7.00%
	2003	72000	0	0	5040	7.00%
	2004	75000	0	0	5250	7.00%
		Subtotal			0	19950

Calculations

Barred years

Retirement contributions during barred years	2826
Social Security taxes during barred years	18662
Social Security taxes due	0
Retirement contributions due	21488

Non-Barred years

Retirement contributions during non-barred years	2280
Social Security taxes recovered	17670
Retirement contributions due	19950

FERS should be CSRS

Barred years vs. Non-barred years. The Internal Revenue Service has a retroactive tax adjustment statute of limitations for correcting Social Security tax payments (OASDI). This limitation is 3 years after that year's filing date. For example, if the coverage error occurred in year 2001, the filing deadline for tax year 2001 was April 15, 2002. Three years from April 15, 2002 is April 15, 2005. Tax adjustments can be made to these years. Years beyond this limit are known as barred years. Because of this limitation, employees who have government service during this time will receive full credit for that service.

Attachment 2-C

**CSRS should be FICA Only
Social Security taxes and retirement contributions actually withheld**

		Base Pay	OASDI wages Reported	Social Security Taxes Paid	Retirement Contributions	Contribution Rate
Barred yrs	1996	55000	55000	0	3850	7.00%
	1997	58000	58000	0	4060	7.00%
	1998	60000	60000	0	4200	7.00%
	1999	63000	63000	0	4568	7.25%
	2000	65000	65000	0	4810	7.40%
	Subtotal			0	21488	
Non-Barred yrs	2001	68000	68000	0	4760	7.00%
	2002	70000	70000	0	4900	7.00%
	2003	72000	72000	0	5040	7.00%
	2004	75000	75000	0	5250	7.00%
	Subtotal			0	19950	

Social Security taxes and retirement contributions that should be withheld

		Base	OASDI	Social	Retirement	Contribution
		Pay	wages	Security	Contributions	Rate
Barred yrs			Reported	Taxes Due		
	1996	55000	55000	3410	0	0.00%
	1997	58000	58000	3596	0	0.00%
	1998	60000	60000	3720	0	0.00%
	1999	63000	63000	3906	0	0.00%
	2000	65000	65000	4030	0	0.00%
	Subtotal			18662	0	
Non-Barred yrs	2001	68000	68000	4216	0	0.00%
	2002	70000	70000	4340	0	0.00%
	2003	72000	72000	4464	0	0.00%
	2004	75000	75000	4650	0	0.00%
	Subtotal			17670	0	

Calculations

Barred years

Retirement contributions during barred years	21448
Social Security taxes during barred years	0
Social Security taxes due	18662
Retirement Contributions to refund	2826

Non-Barred years

Retirement contributions during non-barred years	19950
Social Security taxes due	17670
Retirement contributions to refund	2280

CSRS should be FICA Only

Barred years vs. Non-barred years. The Internal Revenue Service has a retroactive tax adjustment statute of limitations for correcting Social Security tax payments (OASDI). This limitation is 3 years after that year's filing date. For example, if the coverage error occurred in year 2001, the filing deadline for tax year 2001 was April 15, 2002. Three years from April 15, 2002 is April 15, 2005. Tax adjustments can be made to these years. Years beyond this limit are known as barred years. Because of this limitation, employees who have government service during this time will receive full credit for that service.

Attachment 2-D

**CSRS Offset/FERS should be FICA Only
Social Security taxes and retirement contributions actually withheld**

		Base Pay	OASDI wages Reported	Social Security Taxes Paid	Retirement Contributions	Contribution Rate
Barred yrs	1996	55000	55000	3410	440	0.80%
	1997	58000	58000	3596	464	0.80%
	1998	60000	60000	3720	480	0.80%
	1999	63000	63000	3906	662	1.05%
	2000	65000	65000	4030	780	1.20%
	Subtotal			18662	2826	
Non-Barred yrs	2001	68000	68000	4216	544	0.80%
	2002	70000	70000	4340	560	0.80%
	2003	72000	72000	4464	576	0.80%
	2004	75000	75000	4650	600	0.80%
		Subtotal			17670	2280

Social Security taxes and retirement contributions that should be withheld

		Base Pay	OASDI wages Reported	Social Security Taxes Due	Retirement Contributions	Contribution Rate
Barred yrs	1996	55000	55000	3410	0	0.00%
	1997	58000	58000	3596	0	0.00%
	1998	60000	60000	3720	0	0.00%
	1999	63000	63000	3906	0	0.00%
	2000	65000	65000	4030	0	0.00%
	Subtotal			18662	0	
Non-Barred yrs	2001	68000	68000	4216	0	0.00%
	2002	70000	70000	4340	0	0.00%
	2003	72000	72000	4464	0	0.00%
	2004	75000	75000	4650	0	0.00%
	Subtotal			17670	0	

Calculations

Barred years

Retirement contributions during barred years	2826
Social Security taxes during barred years	18662
Social Security taxes due	0
Retirement Contributions to refund	2826

Non-Barred years

Retirement contributions during non-barred years	2280
Social Security taxes during non-barred years	17670
Social Security taxes due	0
Retirement contributions to refund	2280

CSRS Offset/FERS should be FICA Only

Barred years vs. Non-barred years. The Internal Revenue Service has a retroactive tax adjustment statute of limitations for correcting Social Security tax payments (OASDI). This limitation is 3 years after that year's filing date. For example, if the coverage error occurred in year 2001, the filing deadline for tax year 2001 was April 15, 2002. Three years from April 15, 2002 is April 15, 2005. Tax adjustments can be made to these years. Years beyond this limit are known as barred years. Because of this limitation, employees who have government service during this time will receive full credit for that service.