



## ***Benefits Administration Letter***

**Number: 12-302**

**Date: January 2012**

***Subject: New Requirement for Agencies' Payments to the CSRDF in FY 2012 for VSIPs, VERAs Processing Costs per P.L. 112-74, the "Consolidated Appropriations Act, 2012"***

### **PURPOSE**

The purpose of this letter is to notify you of the new statutory requirement for employing agencies to remit to the Civil Service Retirement and Disability Fund (CSRDF) an amount equal to the Fiscal Year (FY) 2011 average unit cost of processing annuity cases if, any time during FY 2012 (retroactively to October 1, 2011) an employee retires under a CSRS or FERS Voluntary Early Retirement Authority (VERA), or any other CSRS or FERS provision and receives a Voluntary Separation Incentive Payment (VSIP), or other form of monetary separation incentive (i.e., any form of buyout). The average unit cost of processing annuity cases under this requirement is calculated to be \$107.62 per annuitant.

### **BACKGROUND**

This new statutory requirement arose from Section 741 of Division C of the "Consolidated Appropriations Act, 2012," Public Law 112-74, approved December 23, 2011. It contains the following:

“SEC. 741. During fiscal year 2012, for each employee who

“(1) retires under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code,  
or

“(2) retires under any other provision of sub-chapter III of chapter 83 or chapter 84 of such title 5 and receives a payment as an incentive to separate, the separating agency shall remit to the Civil Service Retirement and Disability Fund an amount equal to the Office of Personnel Management's average unit cost of processing a retirement claim for the preceding fiscal year. Such amounts shall be available until expended to the Office of Personnel Management and shall be deemed to be an administrative expense under section 8348(a)(1)(B) of title 5, United States Code.”

## **ADDITIONAL INFORMATION**

A Benefits Administration Letter (BAL) providing further details on the method your agency will remit payment to OPM will be issued and posted on the OPM Web site in the next few weeks.

If you have any further questions about this new requirement, please call on (202) 606-0606. You may also send email about this issue to [FinancialBALs@opm.gov](mailto:FinancialBALs@opm.gov).

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