

# ATTACHMENT 1

## Retirement Election Forms and Instructions for Employees Moving from Civil Service Positions to NAF Positions on or after December 28, 2001

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**Job Aid to Attachment 1****Eligibility to Retain CSRS, CSRS Offset, or FERS Retirement Coverage Based Upon an Appointment to a NAF Retirement-Covered Position on or after December 28, 2001**

<b>Eligibility Criteria</b>	<b>Actions</b>
<p><b>1. Is the move between retirement-covered positions?</b> The employee must move from an APF position covered by CSRS or FERS to a NAF position covered by a NAF retirement plan. Verify civil service retirement coverage and date of separation from the retirement-covered position using the attached model request for verification.</p>	<p><b>Yes.</b> Go to <b>step 2.</b></p> <p><b>No.</b> If the gaining or losing position does not provide retirement coverage, the employee is not eligible to retain CSRS or FERS retirement coverage. For example, the employee cannot retain CSRS or FERS coverage if the move is to a Flexible NAF position not covered by a NAF retirement plan.</p>
<p><b>2. Is the break in service no more than one year?</b> The employee must begin employment in a NAF retirement-covered position no later than 1 year after separation from CSRS or FERS-covered employment. (Note: An appointment during the 1-year break which is not subject to retirement coverage does not invalidate an otherwise qualifying move.)</p>	<p><b>Yes.</b> Go to <b>step 3.</b></p> <p><b>No.</b> If the break in service is more than one year, the employee is not eligible to retain CSRS or FERS retirement coverage.</p>
<p><b>3. Is this the employee's first opportunity to elect to retain CSRS or FERS retirement coverage?</b> Review the OPF to determine if the employee was given a prior opportunity to elect to continue CSRS or FERS retirement coverage following a previous move from APF to NAF. If the employee was given a prior opportunity, the OPF should contain an election form (RI 38-144 for moves on or after 12/28/01; CSRS-NAF-1 or FERS-NAF-1 for moves occurring on or after 8/10/96, but before 12/28/01; a retroactive election under P.L. 104-106; or RI 20-103 or RI-92-27 for moves occurring on or after 1/1/87, but before 8/10/96).</p>	<p><b>Yes.</b> Go to <b>step 4.</b></p> <p><b>No.</b> If the employee was given a prior election to retain CSRS or FERS, he or she is not eligible for another opportunity to retain that coverage as a NAF employee.</p>
<b>Election Procedure</b>	<b>Action</b>
<p><b>4. Provide Election to Employee</b></p>	<p>Give employee form RI 38-144. Follow form instructions.</p>

## Model Request for Verification of CSRS, CSRS Offset, or FERS Retirement Coverage

Address to the last servicing Human Resources Office if appointment to the NAF position is within 90 days of separation from the civil service position. If the NAF appointment is more than 90 days after the separation, address the verification request to: U.S. Office of Personnel Management, Retirement Operations Center, P.O. Box 45, Boyers, PA, 16017.

Dear \_\_\_\_\_:

We hired the individual named below in a retirement-covered Nonappropriated Fund position on **[Insert date of employment subject to retirement coverage]**. We are trying to determine if he/she is eligible to elect to retain CSRS, CSRS Offset, or FERS retirement coverage based on a qualifying move occurring on or after December 28, 2001. Please verify whether or not the individual was covered by the CSRS, CSRS Offset, or FERS retirement plan. If the individual was a participant, please provide the date the individual separated from retirement-covered civil service employment.

Please return your response to:

***(Insert name, address, telephone number, and fax number.)***

Employee's name (Last, First, MI):	Other names used:
Date of birth:	Social Security Number:
Agency in which employed in a civil service position:	Location of employment:
Dates of most recent employment in a retirement-covered civil service position:	
Please provide the following information:	
Employee was a participant in the _____ retirement system and separated from retirement-covered employment on _____.	
Employee was not a participant in a civil service retirement system and is therefore not eligible to continue civil service retirement coverage.	
Signature of certifying official:	Date:
Title:	
Address and telephone number:	

**PROCESSING EMPLOYEES MOVING FROM CIVIL SERVICE TO NAF  
ON OR AFTER DECEMBER 28, 2001**

**Retirement Election:**

<b>Retirement Election Option</b>	<b>Effect on Retirement Plan Contributions</b>	<b>Effect on TSP/401k Participation and Contributions</b>
Remain in CSRS, CSRS Offset, or FERS; or	NAF employer forwards employer and employee contributions to appropriate civil service retirement plan.	NAF employer forwards required employer and employee deductions and contributions to TSP. Employee may not join NAF 401(k) plan.
Join NAF retirement plan; receive no credit for prior civil service employment towards NAF retirement.	NAF employer forwards employer and employee contributions to NAF retirement plan.	NAF employer forwards required employer and employee contributions to NAF 401(k) plan. Employee may no longer contribute to TSP. Employee may roll over TSP funds to the applicable 401(k) plan, under the rules of the NAF 401(k) plan.

**Election Form:**

The employee uses form RI 38-144 to make the retirement coverage election. A copy of this form, and instructions for its completion, is attached. The form is Attachment E in OPM BAL 02-102, found at [www.opm.gov/asd/htm/bal02.htm](http://www.opm.gov/asd/htm/bal02.htm).

As stated on the form, the retirement election decision is irrevocable. Employees who elect not to retain CSRS or FERS coverage will not be given another opportunity to be covered by a civil service retirement plan while under a NAF appointment. An employee who elects to retain CSRS or FERS coverage will continue coverage under that retirement system regardless of future movement between APF and NAF employment, any break in service, and changes in retirement status.

A copy of the completed election form, along with retirement coverage verification received from the civil service employer, must be placed in the employee's OPF.

**PROCESSING EMPLOYEES MOVING FROM CIVIL SERVICE TO NAF  
ON OR AFTER DECEMBER 28, 2001**

**Election Deadline:**

Employees who are eligible to elect retention of CSRS or FERS coverage have 30 days to make their decision.

To make the decision, employees may need annuity estimates or other assistance from the NAF and APF retirement offices. The employee may need assistance in estimating the projected annuity for combined civil service and NAF service under an election to retain CSRS or FERS, versus an election to keep the APF and NAF service separate for retirement coverage purposes.

Agencies may waive the 30-day time limit if the election opportunity was not given in a timely manner, or if the employee was prevented from making the decision by circumstances beyond his or her control. Decisions on waiver of the time limit must be in writing and contain notice of MSPB appeal rights for individuals whose CSRS or FERS rights are affected by the decision.

**Election to Retain CSRS or FERS Retirement Coverage:**

**Election Documentation:** The HRO should follow election form RI 38-144 instructions to document the election. If an employee elects to retain CSRS or FERS, but the election is later than the date of appointment, issue a corrective personnel action to reflect the appropriate retirement system.

If the employee elects to retain CSRS or FERS retirement coverage, place the Notice of Civil Service Retirement Election Flag (attached) in the employee's OPF.

**Employer Contributions and Employee Deductions:** NAF employers will forward employer contributions and employee salary deductions for NAF employees who elect to continue CSRS or FERS coverage.

See DoD Financial Management Regulation 7000.14-R, Volume 13, Nonappropriated Funds Policy and Procedures, Chapter 8, Paragraph 0805, "DoD Employee Benefit Portability" for payroll information. DoD 7000.14-R may be found at [www.dtic.mil/whs/directives/corres/html/700014r.htm](http://www.dtic.mil/whs/directives/corres/html/700014r.htm).

Thrift Savings Plan employer contributions and employee salary deductions will also be remitted, where applicable. The gaining NAF HRO office must obtain TSP information from the losing civil service employer. Form TSP-19, Transfer of Information Between Agencies, is used for this purpose. The form is available at [www.tsp.gov/cgi-bin/byteserver.cgi/bulletins/01-12.pdf](http://www.tsp.gov/cgi-bin/byteserver.cgi/bulletins/01-12.pdf).

**PROCESSING EMPLOYEES MOVING FROM CIVIL SERVICE TO NAF  
ON OR AFTER DECEMBER 28, 2001**

Employees who elect to retain CSRS or FERS coverage are not eligible to contribute to the NAF defined benefit retirement plan or the NAF 401(k) plan.

Upon retirement, subsequent employment as either a civil service or NAF employee will be subject to CSRS or FERS rules and regulations for re-employed annuitants.

**Election NOT to Retain CSRS or FERS Retirement Coverage:**

**Election Documentation:** The HRO should follow election form RI 38-144 instructions to document the election not to retain coverage in CSRS or FERS.

**Employer Contributions and Employee Deductions:** The employee will be offered the same NAF retirement system coverage as a new employee. No APF service credit transfers for NAF retirement purposes. The employee may not continue contributions to TSP. The employee may join the NAF 401(k) as a new employee. The employee may roll over TSP funds to the applicable NAF 401(k) plan, under the rules of the NAF plan.

## Election to Retain CSRS, CSRS Offset, or FERS Retirement Coverage as a Result Of A Move From a Civil Service Position To a NonAppropriated Fund (NAF) Position On or after December 28, 2001

**Instructions:** The Human Resources Office will complete Part 1 of this form and give it to the employee. The employee must indicate his/her election by signing in Part 3 and returning the signed form to the Human Resources Office on or before the due date shown in Part 1.

### Part 1 - (To be completed by agency)

Employee's name (last, first, middle)	Date of birth (mm/dd/yyyy)	Social Security Number
Name of Civil Service Retirement Plan (CSRS, CSRS Offset, or FERS)	Due date (mm/dd/yyyy) Human Resources Office must receive election on or before _____	

I verify that in accordance with § 8347(q) and § 8461(n) of title 5 U.S.C., and OPM regulations at 5 CFR part 847, this employee is eligible to retain the civil service retirement plan identified in this part because he/she -

- (1) Has never previously had an opportunity to elect to retain that civil service retirement coverage; and
- (2) Has moved, on or after December 28, 2001, from a covered civil service appointment to a retirement covered NAF position without a break in service of more than 1 year.

Authorized signature	Date of move (mm/dd/yyyy)
Title	Date signed (mm/dd/yyyy)

### Part 2 - Acknowledgement of Receipt and Notice of Effect of Failure to Elect

I understand that I am eligible to retain the civil service retirement coverage shown above. I acknowledge that the Human Resources Office has completed Part 1 of this election form and given it to me on this date. I understand that if I fail to complete Part 3 and return the completed form to the Human Resources Office before the close of business on the Due Date (shown in Part 1) I will automatically be considered to have chosen Option 2 in Part 3. I also understand that the option I choose below (or am automatically considered to have chosen) will restrict my retirement plan entitlement for the rest of my Government career and that I can never change this election regarding retention of civil service retirement coverage as a NAF employee.

Employee's Signature	Date (mm/dd/yyyy)
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### Part 3 - Employee's Election (Instructions to employee: Sign only the box for the option that you elect.)

**Option 1:** I elect to retain coverage under the civil service retirement plan identified in Part 1 of this election form. I understand that because of this irrevocable decision, I will never be able to earn additional credit under any NAF retirement plan. I understand that regardless of future moves between NAF and civil service employment, breaks in service, and changes in retirement status, my retirement coverage will remain with the civil service retirement plan identified in Part 1 in accordance with the rules governing that system.

Employee's signature	Date (mm/dd/yyyy)
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**Option 2:** I do *not* elect to retain retirement coverage in the civil service retirement plan identified in Part 1 of this election form. Because I have made this decision:

- (1) I will enter a NAF retirement plan without receiving any service credit in the NAF retirement plan for time spent under that civil service retirement plan.
- (2) I will not be given another opportunity to retain coverage in that civil service retirement plan if I ever move from a civil service appointment to a NAF position in the future. However, if I move back to a civil service appointment, I will be subject to civil service retirement coverage (CSRS, CSRS Offset, or FERS) in accordance with the appropriate civil service coverage rules.
- (3) If in the future I move back to civil service employment without a break in service of more than 1 year, I will be given a one time opportunity (if I never before have had the opportunity) to elect to retain membership in the NAF retirement plan or to become covered by the appropriate civil service retirement coverage (CSRS, CSRS Offset, or FERS).

Employee's signature	Date (mm/dd/yyyy)
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*(Instructions on the reverse)*

**Instructions for Completing Election Form RI 38-144  
Election to Retain CSRS, CSRS OFFSET, or FERS Retirement Coverage as a Result  
Of A Move From a Civil Service Position To a DoD or Coast Guard NonAppropriated  
Fund (NAF) Position On or after December 28, 2001**

**The Human Resources Office should:**

- (1) Complete Part 1 of the form and make a copy. The due date is 30 days after the date of appointment. (This time limit may be waived by the DoD or Coast Guard Component for employees who, despite due diligence, are prevented by circumstances beyond their control from making an election within the time limit.)
- (2) Give both copies of the form to the employee and instruct the employee to read and acknowledge receipt by signing Part 2 of one copy of the form.
- (3) Collect the copy of the form that the employee signed (with both Parts 1 and 2 completed) and file it on the left side of the Official Personnel Folder (OPF), or in some other temporary file. Keep it there until the employee makes an election, or the time limit for making an election expires.
- (4) If the employee makes an election by signing under either Option 1 or Option 2 in Part 3 of the form, mark the date you received the form. Photocopy the form. File the form with the original signature in Part 3 on the right side of the OPF, and return the other copy to the employee. Destroy the copy of the form with Part 2 completed.

If the employee fails to return the election form before the time limit expires, note on the form with Part 2 completed that the employee did not file a form with Part 3 completed, and file it on the right hand side of the OPF.

- (5) If the employee elects to retain coverage in CSRS, CSRS Offset, or FERS, place the *Notice of Civil Service Retirement Election* flag on the right side of the OPF. This flag will serve to alert subsequent employing NAF Components or civil service employers that the employee is covered by CSRS, CSRS Offset, or FERS and is excluded from coverage in a NAF retirement plan.

**The Employee should:**

- (1) Acknowledge receiving the form by signing Part 2 of one copy and returning it to the Human Resources Office.
- (2) Keep a copy of the form with only Part 1 completed.
- (3) Make a retirement coverage election by signing Option 1 or Option 2 in Part 3 of the form. Submit the election to the Human Resources Office by the Due Date shown in Part 1. If you fail to submit an election by the due date, you will be considered to have elected Option 2 in Part 3.



**NOTICE OF CIVIL SERVICE RETIREMENT  
ELECTION  
RETIREMENT COVERAGE ELECTION UNDER SECTION 1131 OF  
PUBLIC LAW 107-107**

**THIS EMPLOYEE HAS ELECTED TO RETAIN  
COVERAGE UNDER THE CIVIL SERVICE  
RETIREMENT SYSTEM (CSRS), CSRS OFFSET, OR  
FEDERAL EMPLOYEES RETIREMENT SYSTEM  
(FERS) AND IS EXCLUDED FROM COVERAGE  
UNDER A NONAPPROPRIATED FUND (NAF)  
RETIREMENT PLAN.**

For further information contact:

Department of Defense Civilian Personnel Management Service Field Advisory Services Division Benefits Team	703-696-6301 (DSN: 426)
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File this document on the right side of the OPF with the employee's CSRS, CSRS Offset, or FERS retirement election.