



## ***Benefits Administration Letter***

Number 14 - 107

Date: August 14, 2014

### **Subject: Federal Employees Retirement System-Further Revised Annuity Employees (FRAE) Coverage Determination Guidance**

**Purpose:** The purpose of this Benefits Administration Letter (BAL) is to provide coverage determination guidance concerning employees and Members of Congress who will be covered under the Federal Employees Retirement System (FERS) as Further Revised Annuity Employees (FRAE), FERS-FRAE. This guidance only applies to automatic FERS coverage determinations. Employees who are subject to CSRS, CSRS-Offset, or FICA-only coverage and who have an opportunity to elect to transfer to FERS will be subject to FERS, not FERS-FRAE, if they elect to transfer to FERS.

### **Background:**

Public Law 112-96, Section 5001, the "Middle Class Tax Relief and Job Creation Act of 2012," established FERS-Revised Annuity Employee (FERS-RAE). In general, employees hired after December 31, 2012, who were not excluded from FERS coverage became subject to FERS-RAE coverage and paid significantly higher employee contributions for the FERS basic benefit than employees subject to the original FERS coverage. (With one exception, the amounts of benefits payable under FERS did not change. There was a change, though, to the FERS basic benefit payable to congressional employees and Members of Congress.) The FERS-RAE provisions, however, included three exceptions whereby employees hired after December 31, 2012, would be subject to the original FERS coverage (and the lower employee contribution rate). The employee's status on December 31, 2012, was crucial in determining if the employee could retain coverage under original FERS. Benefits Administration Letter (BAL) 13-102, outlined the rules for determining if an employee hired after December 31, 2012, could retain original FERS coverage.

Section 401 of the "Bipartisan Budget Act of 2013, signed into law by the President on December 26, 2013, created another class of FERS coverage, FERS-Further Revised Annuity Employee (FERS-FRAE). In general, employees hired after December 31, 2013, who are not excluded from FERS coverage become subject to FERS-FRAE coverage and must pay even higher employee contributions for the FERS basic benefit than FERS-RAE employees. Employees who meet the requirements to retain original FERS coverage based on their status as of December 31, 2012, will continue to be subject to original

FERS coverage. Employees who are not eligible for original FERS coverage may still be eligible for FERS-RAE coverage based on their status as of December 31, 2013.

The basic FERS benefits for congressional employees and Members of Congress covered under FERS-FRAE are the same as the benefits those groups receive under FERS-RAE.

### **Coverage Determination:**

In general, employees hired after December 31, 2013, who are not excluded from FERS coverage will be subject to FERS-FRAE, unless they meet specific service requirements as of December 31, 2012, that would allow them to be subject to original FERS, or unless they meet specific service requirements as of December 31, 2103, that would allow them to be subject to FERS-RAE.

An individual hired in 2014 or later will be subject to original FERS coverage if any of these exceptions apply:

1. the individual on December 31, 2012, was covered under FERS; or
2. the individual on December 31, 2012, was performing civilian service which is creditable or potentially creditable service under FERS (for example, the individual may have been performing service as a Peace Corps volunteer or may have been covered under another retirement system from which service credit may be transferred to FERS,, such as CSRS, CSRS-Offset, Foreign Service, Federal Reserve, or CIARDS), or
3. the individual on December 31, 2012, was not covered under FERS and was not performing civilian service which is creditable or potentially creditable service under FERS, but as of December 31, 2012, had performed at least **five years** of civilian service creditable or potentially creditable under FERS, including service subject to CSRS or CSRS-Offset.

See BAL 13-102 for additional details relating to an employee's status on December 31, 2012.

An individual hired in 2014 or later who is not subject to original FERS coverage will be subject to FERS-RAE coverage if any of these exceptions apply:

1. the individual on December 31, 2013, was covered under FERS-RAE; or
2. the individual on December 31, 2013, was performing civilian service which is creditable or potentially creditable service under FERS (for example, the individual may have been performing service as a Peace Corps volunteer or may have been covered under another retirement system from which service credit may be transferred to FERS,, such as CSRS, CSRS-Offset, Foreign Service, Federal Reserve, or CIARDS), or

3. the individual on December 31, 2013, was not covered under FERS and was not performing civilian service which is creditable or potentially creditable service under FERS, but as of December 31, 2013, had performed at least **five years of civilian** service creditable or potentially creditable under FERS, including service subject to CSRS or CSRS-Offset.

We have provided Retirement Coverage Determination tables to help you make the coverage decision in Attachment 1 of this BAL.

### ***Potentially Creditable Service***

Certain categories of service become fully creditable only if the employee takes certain actions, such as applying to pay for the service by a deadline established in law or waiving rights to benefits under another retirement system for Federal employees. For example, service covered by the Foreign Service Pension System (FSPS) is potentially (but not fully) creditable until an employee has waived his or her rights to benefits under that system and made the necessary deposit to OPM. Peace Corps volunteer service is another example. In making coverage determinations count all creditable civilian service that is potentially creditable on the effective date of the personnel action requiring the coverage determination. The resulting coverage decision remains valid even though the employee may never ever take all the actions needed for the service to become fully creditable.

Military service for which a deposit has been paid is not considered creditable for determining the five years of service for exemption from FERS-RAE or FERS-FRAE.

### ***Break in Service of Three Days or Less that Spans December 31, 2013***

If an individual leaves a FERS-RAE covered position immediately before December 31, 2013, and returns to a FERS covered position after a break of three days or less, the employee will continue to be covered under FERS-RAE even if the employee returns after December 31, 2013. A break in FERS-RAE coverage of three days or less is not considered to be a separation from service and the individual is considered to be covered under FERS-RAE on December 31, 2013.

### ***Receipt of Compensation Benefits While Separated from Service on December 31, 2013***

When an individual returns to Federal service following a separation during which he or she was receiving compensation benefits under the Federal Employees' Compensation Act (FECA) from the Office of Workers' Compensation Programs (OWCP), the individual is deemed, for service credit purposes, to have been on a leave of absence without pay for the period during which he or she was receiving the compensation benefits and that period is creditable service under FERS. If an individual is separated from Federal service on December 31, 2013, but is never-the-less entitled to service credit for that

day because he or she was receiving FECA benefits, the individual is considered to have been performing civilian service creditable under FERS on December 31, 2013, and is excluded from FERS-FRAE coverage.

***Performing Active Duty Military Service on December 31, 2013, Following a Separation from Civilian Service***

If a FERS-RAE covered employee separates from Federal service before December 31, 2013 to enter active duty military service, and returns to Federal service after December 31, 2013, after exercising his or her reemployment rights under 38 U.S.C. § 4312, the employee is not considered to be separated from Federal service for purposes of determining FERS-FRAE coverage. Under specific provision of the Uniformed Services Employment and Reemployment Rights Act (USERRA), individuals reemployed with the Government under chapter 43 of title 38 must be treated as not having a break in service.

***FERS Employees in a Leave Without Pay Status On December 31, 2013***

FERS-RAE employees who are not separated from Federal service but who on December 31, 2013, are in a leave without pay status are excluded from FERS-FRAE coverage, even if:

- the employee has been on leave without pay for more than six months in 2013, and does not receive service credit for December 31, 2013, or
- the employee has been on leave without pay while performing active duty military service and does not return to the Federal civilian service by exercising his or her reemployment rights.

***Coverage Examples***

1. Employee receives a FERS covered appointment effective January 1, 2014. This is a first hire – employee had no prior civilian service with the Federal Government.

***Employee is subject to FERS-FRAE coverage.***

2. Employee receives a FERS covered appointment effective February 9, 2014. Employee had one previous period of civilian service with the Federal Government covered under FERS-RAE from February 2, 2013, through January 4, 2014.

***Employee is subject to FERS-RAE coverage.*** Employee was covered by FERS-RAE on December 31, 2013.

3. Employee receives a FERS covered appointment effective January 2, 2014. Employee had one previous period of civilian service with the Federal Government covered under FERS from September 14, 2009, to December 29, 2013.

***Employee is subject to FERS coverage.***

*Employee was covered by FERS Regular on 12/31/2012.*

4. Employee receives a FERS covered appointment effective January 2, 2014. Employee had one previous period of civilian service with the Federal Government covered under FERS-RAE from January 5, 2013, to December 29, 2013.

***Employee is subject to FERS-RAE coverage***

*Although the employee was not employed by the Government on December 31, 2013, the break between the end of the employee's FERS-RAE appointment (December 29, 2013) is only three days. The break is not considered to be a separation from service and the employee is considered to have been covered under FERS-RAE on December 31, 2013.*

5. Employee receives a FERS covered appointment effective January 14, 2014. Employee had one previous period of civilian service with the Federal Government covered under FERS from September 14, 2009, to December 29, 2012.

***Employee is subject to FERS-FRAE coverage.***

*On December 31, 2012, the employee did not meet the requirements that would permit coverage under original FERS. The employee was not covered under FERS and was not performing civilian service that was creditable or potentially creditable under FERS on December 31, 2012, nor did the employee have at least 5 years of creditable or potentially creditable civilian service as of December 31, 2012. Likewise, as of December 31, 2013, the employee did not meet the requirement that would permit coverage under FERS-RAE. The employee was not covered under FERS-RAE and was not performing civilian service that was creditable or potentially creditable under FERS on December 31, 2013, nor did the employee have at least 5 years of creditable or potentially creditable civilian service as of December 31, 2013.*

6. Employee receives a FERS covered appointment effective April 29, 2014.  
Employee had one previous period of civilian service with the Federal Government from September 14, 2008, to January 5, 2013. The employee was covered under FERS throughout that previous period of service.

***Employee is subject to FERS coverage***

*The employee was employed in a civilian position subject to FERS on December 31, 2012.*

7. Employee receives a FERS covered appointment effective January 5, 2014.  
Employee had previous civilian service that was covered under the Foreign Service Pension System (FSPS) from February 12, 2012, through January 4, 2014.

***Employee is subject to FERS coverage***

*The employee was working in a position on December 31, 2012, which is potentially creditable under FERS.*

8. Employee receives a FERS covered appointment effective May 5, 2014.  
Employee previously had civilian service that was covered under FERS from June 3, 2001, through June 21, 2008.

***Employee is subject to FERS coverage on May 5, 2014.***

*Although the employee was not employed with the Federal Government on December 31, 2012, the employee had performed at least 5 years of creditable civilian service as of December 31, 2012.*

9. Employee receives a FERS covered appointment effective May 5, 2014.  
Employee previously had civilian service that was covered under the Foreign Service Pension System (FSPS) from June 3, 2001, through June 21, 2008.

***Employee is subject to FERS coverage on May 5, 2014.***

*Although the employee was not employed with the Federal Government on December 31, 2012, the employee had performed at least 5 years of potentially creditable civilian service as of December 31, 2012.*

10. Employee receives a FERS covered appointment effective June 15, 2014.  
Employee previously had performed Federal service under FERS from December 10, 2008, through June 22, 2011, when the employee's agency took action to separate the employee from service because she was receiving FECA compensation benefits from the Office of Workers' Compensation Programs. The employee continued receiving compensation benefits after the separation from service until she returned to Federal service on June 15, 2014.

***Employee is subject to FERS coverage.***

*Although employee was separated from Federal service on December 31, 2012 and 2013, she is entitled to service credit for the period of separation during which she received the FECA benefits and, therefore, is considered to be performing civilian service creditable under FERS on December 31, 2012.*

11. Employee receives a FERS covered appointment effective June 15, 2014.  
Employee previously had performed Federal service under FERS from May 11, 2009, through June 22, 2011, when the employee separated from Federal service to enter active duty in the military. The individual performed active duty service with the military from June 23, 2011, through May 30, 2014, when he received an honorable discharge. He was reemployed by his former agency effective June 15, 2014, after exercising his reemployment rights under chapter 43 of title 38.

***Employee is subject to FERS coverage.***

*Although the employee was not a civilian employee of the Federal Government on December 31, 2012, he returned to Federal service after exercising his reemployment rights under chapter 43 of title 38 and therefore, for purposes of determining his coverage, the employee must be treated as though he were not separated from his FERS civilian employment on December 31, 2012.*

12. Employee received a FERS covered appointment effective June 16, 2014.  
Employee previously had performed Federal service under CSRS from June 13, 1977, through September 21, 1981.

***Employee is subject to FERS-FRAE Coverage.***

*Employee was not an employee of the Federal government on December 31, 2012 and did not have 5 years of prior CSRS covered creditable service making him ineligible for FERS Regular coverage. The employee was not an employee on December 31, 2013 and did not have the 5 years of creditable service on that date making him ineligible for FERS-RAE coverage.*

### ***Under-collection of retirement contributions***

Agencies were advised in BAL 14-102 dated January 30, 2014, to process new employees and rehired former FERS and FERS-RAE employees hired after December 31, 2013, by placing them in FERS or FERS-RAE until additional guidance was provided and the agency human resource and payroll systems were updated with the FERS-FRAE codes. All new employees were advised that retirement contributions were being withheld at either the FERS or FERS-RAE rates which are lower than the FERS-FRAE rate and will result in underpaid retirement contributions and an overpayment of salary to the employee.

The agencies now have all the information they need to determine if an employee is covered under FERS-FRAE. The Office of Personnel Management must receive the correct contribution amount from the agency for the employee and the agency portion for all types of retirement contributions including FERS FRAE. The Office of Personnel Management will not waive these contributions for any agency or employee. It is the responsibility of the agency to collect the overpayment of salary debt according to their own policies of debt collection and to submit the full FERS-FRAE retirement contributions to OPM. If you have further questions about overpayments of salary please contact OPM's Pay Policy section in the Employment Service 202-606-2858 or [pay-leave-policy@opm.gov](mailto:pay-leave-policy@opm.gov) .

### ***Guide to Processing Personnel Actions (GPPA)***

The GPPA remarks will be addressed when the GPPA is next updated.

#### **Attachments:**

Attachment 1 provides revisions to the retirement coverage determination tables from Chapter 10 of the CSRS and FERS Handbook for Personnel and Payroll Offices to incorporate FERS-FRAE coverage to assist you in determining the correct coverage.

Attachment 2 provides the FERS, FERS-RAE and FERS-FRAE contribution tables with the percentages for both the employee and agency contributions. Please note that the agency contribution percentages did not change under FERS-FRAE.

If you have any questions concerning this BAL, you may contact the Retirement Services, Benefits Officers Training and Development at 202-606-0788 or [Benefits@opm.gov](mailto:Benefits@opm.gov).

Kenneth J Zawodny Jr, Associate Director  
Retirement Services



# **BAL 14-107**

## **Attachment 1**

### **Retirement Coverage Determination Tables**

## Retirement Coverage Determination Tables

**New Hires** (presumes no prior Federal service under FERS or any other retirement system)

Step	Decision Factor	If Yes...	If No...
1	Does employee have prior non-Federal service that was covered by or creditable under CSRS? (See section 10A1.3-3B)	Go to Step 2	Go to Step 5
2	Does employee meet 5 year test? (See section 10A1.1-2I)	Go to Step 3	<b>Skip to Step 5</b>
3	Is current appointment excluded from CSRS? (See section 10A1.3-3)	Go to Step 4	Coverage under <b>CSRS Offset</b> with option to elect <b>FERS</b>
4	Is current appointment excluded from FERS? (See section 10A1.3-5)	Coverage under <b>FICA</b> only (unless not applicable)	Covered by <b>FICA</b> with option to elect <b>FERS</b>
5	Is <i>appointment excluded</i> from FERS by law or regulation? (See section 10A1.3-5)	Coverage under <b>FICA</b> only (unless not applicable)	<b>Go to Step 6</b>
6.	Is appointment effective before January 1, 2013?	Coverage Under <b>FERS</b>	Go to Step 7
7.	Was employee on December 31, 2012, performing civilian service that was creditable or potentially creditable under FERS (e.g. Peace Corp volunteer service or service covered under another retirement system for which credit may be transferred to FERS, such as Foreign Service, Federal Reserve, or CIARDS)?	Coverage Under <b>FERS</b>	Go to Step 8
8.	Does employee as of December 31, 2012, have at least 5-years of creditable or potentially creditable service under FERS?	Coverage under <b>FERS</b>	Go To Step 9
9.	Is appointment effective on or after January 1, 2013, and before January 1, 2014?	Coverage under <b>FERS-RAE</b>	Go to Step 10
10.	Was employee on December 31, 2013, performing civilian service that was creditable or potentially creditable under FERS (e.g. Peace Corp volunteer service or service covered under another retirement system for which credit may be transferred to FERS, such as Foreign Service, Federal Reserve, or CIARDS)?	Coverage under <b>FERS-RAE</b>	Go to Step 11

11.	Does employee as of December 31, 2013, have at least 5-years of creditable or potentially creditable service under FERS?	Coverage under <b>FERS-RAE</b>	Coverage under <b>FERS-FRAE</b>
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## Transfers / Conversions

Step	Decision Factor	If Yes...	If No...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See Chapter 101	Go to Step 2
2	Was last employment under another Federal retirement system (for example, <b>FSRS</b> )?	Go to Step 5	Go to Step 3
3	Was last appointment covered by OASDI (FICA) only?	Go to Step 4	Employee retains previous coverage
4	Did employee previously have FERS (i.e. FERS/FERS-RAE/FERS-FRAE) coverage?	Go to Step 11	Go to Step 5
5	Was employee first hired after December 31, 1983?	Go to Step 20	Go to Step 6
6	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional?	Employee covered under <b>FICA</b> only	Go to Step 7
7	Is the current appointment excluded from <b>CSRS</b> by law or regulation? (See section 10A1.3-3)	Go to Step 8	Go to Step 9
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under <b>FICA</b> only with option to elect <b>FERS</b>	Go to Step 21
9	Is current appointment now subject to <b>FICA</b> ? (See section 10A1.3-6)	Go to Step 10	Employee covered under <b>CSRS</b> with option to elect <b>FERS</b> *
10	Does employee meet the 5-year test? (See section 10A1.1-2I)	Employee covered under <b>CSRS Offset</b> with option to elect <b>FERS</b>	Go to Step 21
11.	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from <b>FERS</b> )?	Employee covered under <b>FICA</b> only	Go to Step 12
12	Is current appointment effective before January 1, 2013?	Employee covered under <b>FERS</b>	Go to Step 13
13	Was employee covered under FERS on December 31, 2012?	Employee covered under <b>FERS</b>	Go to Step 14
14	Was employee on December 31, 2012, performing civilian service that was creditable or potentially creditable under FERS (e.g. Peace Corp volunteer service or service covered under another retirement system for which credit may be transferred to FERS, such as Foreign Service, Federal Reserve, or CIARDS)	Employee covered under <b>FERS</b>	Go to Step 15
15	Does employee as of December 31, 2012, have at least 5-years of creditable or potentially creditable service under FERS?	Employee covered under <b>FERS</b>	Go to Step 16
16.	Is current appointment effective on or after January 1, 2013, and before January 1, 2014?	Employee is covered under <b>FERS-RAE</b>	Go to Step 17

<b>Step</b>	<b>Decision Factor</b>	<b>If Yes...</b>	<b>If No...</b>
17.	Was employee covered under FERS-RAE on December 31, 2013?	Employee is covered under <b>FERS-RAE</b>	Go to Step 18
18.	Was employee on December 31, 2013, performing civilian service that was creditable or potentially creditable under FERS (e.g. Peace Corp volunteer service or service covered under another retirement system for which credit may be transferred to FERS, such as Foreign Service, Federal Reserve, or CIARDS)?	Employee is covered under <b>FERS-RAE</b>	Go to Step 19
19.	Does employee as of December 31, 2013, have at least 5-years of creditable or potentially creditable service under FERS?	Employee is covered under <b>FERS-RAE</b>	Employee is covered under <b>FERS-FRAE</b>
20.	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from <b>FERS</b> )?	Employee covered under <b>FICA</b> only	Go to Step 21
21.	Is current appointment effective before January 1, 2013?	Employee covered under <b>FERS</b>	Go to Step 22
22.	Was employee on December 31, 2012, performing civilian service that was creditable or potentially creditable under FERS (e.g. Peace Corp volunteer service or service covered under another retirement system for which credit may be transferred to FERS, such as Foreign Service, Federal Reserve, or CIARDS)?	Employee covered under <b>FERS</b>	Go to Step 23
23.	Does employee as of December 31, 2012, have at least 5-years of creditable or potentially creditable service under FERS?	Employee covered under <b>FERS</b>	Go to Step 24
24.	Is current appointment effective on or after January 1, 2013, and before January 1, 2014?	Employee is covered under <b>FERS-RAE</b>	Go to Step 25
25.	Was employee on December 31, 2013, performing civilian service that was creditable or potentially creditable under FERS (e.g. Peace Corp volunteer service or service covered under another retirement system for which credit may be transferred to FERS, such as Foreign Service, Federal Reserve, or CIARDS)?	Employee is covered under <b>FERS-RAE</b>	Go to Step 26
26.	Does employee as of December 31, 2013, have at least 5-years of creditable or potentially creditable service under FERS?	Employee is covered under <b>FERS-RAE</b>	Employee is covered under <b>FERS-FRAE</b>

## Rehires

Step	Decision Factor	If Yes...	If No...
1	Does employee qualify as a senior official? (See section 10A1.3-6C)	See <b>Chapter 101</b>	Go to Step 2
2	Did employee previously have <b>FERS</b> (i.e. <b>FERS/FERS-RAE/FERS-FRAE</b> ) coverage?	Go to Step 10	Go to Step 3
3	Was employee first hired after December 31, 1983?	Go to Step 9	Go to Step 4
4	Is current appointment temporary NTE 1 year or intermittent and not career or career-conditional?	Coverage under <b>FICA</b> only	Go to Step 5
5	Is employee's current appointment excluded from <b>CSRS</b> by law or regulation? (See section 10A1.3-3)	Go to Step 6	Go to Step 7
6	Does employee meet 5-year test? (See section 10A1.1-2I)	<b>FICA</b> only with option to elect <b>FERS</b>	Go to Step 19
7	Is current appointment now subject to <b>FICA</b> ? (See section 10A1.3-6)	Go to Step 8	Coverage under <b>CSRS</b> with option to elect <b>FERS</b>
8	Does employee meet the 5-year test? (See section 10A1.1-2I)	Coverage under <b>CSRS Offset</b> with option to elect <b>FERS</b>	Go to Step 19
9	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from <b>FERS</b> )?	Coverage under <b>FICA</b> only	Go to Step 19
10	Is the current appointment temporary NTE 1 year or intermittent and not career or career conditional (that is, excluded from <b>FERS</b> )?	Coverage under <b>FICA</b> only	Go to Step 11
11	Is current appointment effective before January 1, 2013?	Coverage under <b>FERS</b>	Go to Step 12
12	Was employee covered under FERS on December 31, 2012?	Employee covered under <b>FERS</b>	Go to Step 13
13	Was employee on December 31, 2012, performing civilian service that was creditable or potentially creditable under FERS (e.g. Peace Corp volunteer service or service covered under another retirement system for which credit may be transferred to FERS, such as Foreign Service, Federal Reserve, or CIARDS)?	Employee covered under <b>FERS</b>	Go to Step 14
14	Does employee as of December 31, 2012, have at least 5-years of creditable or potentially creditable service under FERS?	Employee covered under <b>FERS</b>	Go to Step 15
15	Is current appointment effective on or after January 1, 2013, and before January 1, 2014?	Employee is covered under <b>FERS-RAE</b>	Go to Step 16
16.	Was employee covered under FERS-RAE on December 31, 2013?	Employee is covered under <b>FERS-RAE</b>	Go to Step 17
17.	Was employee on December 31, 2013, performing civilian service that was creditable or potentially creditable under FERS (e.g. Peace Corp volunteer service or service covered under another retirement system for which credit may be transferred to FERS, such as Foreign Service, Federal Reserve, or CIARDS)?	Employee is covered under <b>FERS-RAE</b>	Go to Step 18
18.	Does employee as of December 31, 2013, have at least 5-years of creditable or potentially creditable service under FERS?	Employee is covered under <b>FERS-RAE</b>	Employee is covered under <b>FERS-FRAE</b>

<b>Step</b>	<b>Decision Factor</b>	<b>If Yes...</b>	<b>If No...</b>
19.	Is current appointment effective before January 1, 2013?	Coverage under <b>FERS</b>	Go to Step 20
20	Was employee on December 31, 2012, performing civilian service that was creditable or potentially creditable under FERS (e.g. Peace Corp volunteer service or service covered under another retirement system for which credit may be transferred to FERS, such as Foreign Service, Federal Reserve, or CIARDS)?	Employee covered under <b>FERS</b>	Go to Step 21
21.	Does employee as of December 31, 2012, have at least 5-years of creditable or potentially creditable service under FERS?	Employee covered under <b>FERS</b>	Go to Step 22
22	Is current appointment effective on or after January 1, 2013, and before January 1, 2014?	Employee is covered under <b>FERS-RAE</b>	Go to Step 23
23	Was employee on December 31, 2013, performing civilian service that was creditable or potentially creditable under FERS (e.g. Peace Corp volunteer service or service covered under another retirement system for which credit may be transferred to FERS, such as Foreign Service, Federal Reserve, or CIARDS)?	Employee is covered under <b>FERS-RAE</b>	Go to Step 24
24	Does employee as of December 31, 2013, have at least 5-years of creditable or potentially creditable service under FERS?	Employee is covered under <b>FERS-RAE</b>	Employee is covered under <b>FERS-FRAE</b>

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**Attachment 2**

**Contribution Rate**

**Tables**



## FERS/FERS-RAE/FERS-FRAE Contribution Rates (After October 1, 2014)

Retirement Groups	<i>FERS-Regular Employees</i>				<i>FERS-RAE Employees</i>				<i>FERS-FRAE Employees</i>			
	Retirement Plan Code	Normal Cost %	Employee %	Agency %	Retirement Plan Code	Normal Cost %	Employee %	Agency %	Retirement Plan Code	Normal Cost %	Employee %	Agency %
Regular	K	14.0	0.8	13.2	KR	14.2	3.1	11.1	KF	14.2	4.4	11.1*
Law Enforcement Officer, Firefighter, Member of the Supreme Court Police	M	30.1	1.3	28.8	MR	30.1	3.6	26.5	MF	30.1	4.9	26.5*
Air Traffic Controller	L	32.4	1.3	31.1	LR	32.5	3.6	28.9	LF	32.5	4.9	28.9*
Military Reserve Tech	N	17.7	0.8	16.9	NR	18.1	3.1	15.0	NF	18.1	4.4	15.0*
Customers and Border Protection Officers	O	30.1	1.3	28.8	OR	30.1	3.6	26.5	OF	30.1	4.9	26.5*
Employees under section 303 of the CIA Act of 1964 (when serving abroad)		19.7	0.8	18.9		19.9	3.1	16.8		19.9	4.4	16.8*
Member of Congress		21.5	1.3	20.2		14.2	3.1	11.1		14.2	4.4	11.1*
Member of Capitol Police		19.7	1.3	18.4		19.7	3.6	16.1		19.7	4.9	16.1*
Congressional Employee**		19.7	1.3	18.4		14.2	3.1	11.1		14.2	4.4	11.1*
U.S. Postal Service/ Postal Regulatory Commission – Regular	K	14.0	0.8	13.2	KR	14.2	3.1	11.1	KF	14.2	4.4	9.8*
U.S. Postal Service/ Postal Regulatory Commission - Law Enforcement Officer	M	30.1	1.3	28.8	MR	30.1	3.6	26.5	MF	30.1	4.9	25.2*

\* Amendments made by the Section 401 of the Bipartisan Budget Act of 2013 provides that the employee and the agency contributions combined for FERS-FRAE employees are in excess of the normal cost percentage. USPS agency contribution rates differ for FERS-FRAE.

\*\* Congressional Employee category includes civilian Capitol Police employees who are not subject to an enhanced benefit

### **FERS Contribution Rates (through September 30, 2014)**

Category	FERS Contribution Rates (%)			
	Retirement Plan Code	Normal Cost %	Employee %	Agency %
Regular	K	12.7	.8	11.9
Law Enforcement Officer, Firefighter, Member of the Supreme Court Police	M	27.6	1.3	26.3
Air Traffic Controller	L	27.3	1.3	26.0
Military Reserve Tech	N	15.7	.8	14.9
Customs and Border Protection Officers	O	27.6	1.3	26.3
Employees under section 303 of the CIA Act of 1964 (when serving abroad)		18.0	.8	17.2
Member of Congress		19.6	1.3	18.3
Member of Capitol Police		18.0	1.3	16.7
Congressional Employee, Civilian Capitol Police Employee		18.0	1.3	16.7

### FERS-RAE Contribution Rates (Through September 30, 2014)

Category	FERS RAE Contribution Rates (%)			
	Retirement Plan Code	Normal Cost %	Employee %	Agency %
Regular	<b>KR</b>	12.7	<b>3.1</b>	<b>9.6</b>
Law Enforcement Officer, Firefighter, Member of the Supreme Court Police **	<b>MR</b>	27.6	<b>3.6</b>	<b>24.0</b>
Air Traffic Controller	<b>LR</b>	27.3	<b>3.6</b>	<b>23.7</b>
Military Reserve Tech	<b>NR</b>	15.7	<b>3.1</b>	<b>12.6</b>
Customs and Border Protection Officers	<b>OR</b>	27.6	<b>3.6</b>	<b>24.0</b>
Employees under section 303 of the CIA Act of 1964 (when serving abroad)		18.0	<b>3.1</b>	<b>14.9</b>
Member of Congress		12.7	<b>3.1</b>	<b>9.6</b>
Member of Capitol Police		18.0	<b>3.6</b>	<b>14.4</b>
Congressional Employee, Civilian Capitol Police Employee		12.7	<b>3.1</b>	<b>9.6</b>

## FERS-FRAE Contribution Rates (Through September 30, 2014)

Category	FERS FRAE Contribution Rates (%)			
	Retirement Plan Code	Normal Cost %	Employee %	Agency %
Regular	<b>KF</b>	12.7	<b>4.4</b>	<b>9.6</b>
Law Enforcement Officer, Firefighter, Member of the Supreme Court Police	<b>MF</b>	27.6	<b>4.9</b>	<b>24.0</b>
Air Traffic Controller	<b>LF</b>	27.3	<b>4.9</b>	<b>23.7</b>
Military Reserve Tech	<b>NF</b>	15.7	<b>4.4</b>	<b>12.6</b>
Customs and Border Protection Officers	<b>OF</b>	27.6	<b>4.9</b>	<b>24.0</b>
Employees under section 303 of the CIA Act of 1964 (when serving abroad)		18.0	<b>4.4</b>	<b>14.9</b>
Member of Congress		12.7	<b>4.4</b>	<b>9.6</b>
Member of Capitol Police		18.0	<b>4.9</b>	<b>14.4</b>
Congressional Employee, Civilian Capitol Police Employee		12.7	<b>4.4</b>	<b>9.6</b>
United States Postal Service (USPS) - Regular	<b>KF</b>	<b>12.7</b>	<b>4.4</b>	<b>8.3</b>
United States Postal Service (USPS) – Law Enforcement	<b>MF</b>	<b>27.6</b>	<b>4.9</b>	<b>22.7</b>
Postal Regulatory Commission (PRC) - Regular	<b>KF</b>	<b>12.7</b>	<b>4.4</b>	<b>8.3</b>
Postal Regulatory Commission (PRC) – Law Enforcement	<b>MF</b>	<b>27.6</b>	<b>4.9</b>	<b>22.7</b>

Amendments made by the Section 401 of the Bipartisan Budget Act of 2013 provides that the employee and the agency contributions combined paid for FERS-FRAE employees are in excess of the normal cost percentage. However, the U.S. Postal Service and Postal Regulatory Commission are not included in this provision, and the percentages that will be paid by U.S. Postal Service (USPS) and Postal Regulatory Commission (PRC) are 1.3 percent lower.