CSRS
Civil Service
Retirement System

# APPLICATION TO MAKE VOLUNTARY CONTRIBUTIONS

*Civil Service Retirement System*

***(1) Type or print in ink.***
***(2) Answer all the questions.***

| 1. Name *(Last, first, middle)* | 2. Date of birth *(mm/dd/yyyy)* | 3. Social Security Number |
|---|---|---|
| | | |

| 4. Address *(Number, street, city, state, and ZIP code)* | 5. List all other names you have used *(Include maiden name, if applicable.)* |
|---|---|
| | |

| | | | | | |
|---|---|---|---|---|---|
| 6a. | Do you have any civilian government service during which no Civil Service Retirement deductions were taken from your salary? | ☐ Yes → ☐ No | 6b. | Have you made a deposit to the Civil Service Retirement and Disability Fund to cover this non-deduction service? | ☐ Yes ☐ No |
| 7a. | Do you have any service during which Civil Service Retirement deductions were taken from your salary and later refunded to you? | ☐ Yes → ☐ No | 7b. | Have you made a redeposit to the Civil Service Retirement and Disability Fund of the amount refunded to you? | ☐ Yes ☐ No |
| 8a. | Have you ever made voluntary contributions and later received a refund of them? | ☐ Yes → ☐ No | 8b. | Have you since been separated from the government service for a period of more than 3 calendar days? | ☐ Yes ☐ No |

**If your answer to question 6b, 7b, or 8b is "No", do not file this application. See the attached information.**

**Agency Certification**

**I certify that the applicant is an employee of the agency shown below, is in a position subject to the Civil Service Retirement System, and has answered question 6a correctly.**

I hereby apply to make voluntary contributions to the Civil Service Retirement and Disability Fund. I am employed in a position subject to the Civil Service Retirement System or I am an applicant for retirement under the Civil Service Retirement System. I have read the information on the attached page.

| Agency address | Signature | |
|---|---|---|
| | Official title | |
| Applicant's signature *(Do not print)* / Date | Telephone number ( ) | Date |

## Privacy Act Statement

Title 5, U.S. Code, Chapter 83, Civil Service Retirement authorizes the solicitation of this information. The data you furnish will be used to identify records properly associated with this application, to obtain additional information if necessary, and to determine if you are eligible to make voluntary contributions to the Civil Service Retirement and Disability Fund. This information may be shared and is subject to verification, via paper, electronic media, or through the use of computer matching programs, with national, state, local or other charitable or social security administrative agencies to determine and issue benefits under their programs or to report income for tax purposes. It may also be shared and verified, as noted above, with law enforcement agencies when they are investigating a violation or potential violation of civil or criminal law. Executive Order 9397 (November 22, 1943) authorizes use of the Social Security Number. Failure to supply all of the requested information may delay or prevent approval of your application.

You need to read the attached information so that you understand the effect of making voluntary contributions. Ask your personnel office if you are employed and need more information. If a personnel office is not available, contact the Office of Personnel Management at the address given or call 1-888-767-6738 (TDD: 1-800-878-5707).

U.S. Office of Personnel Management
CSRS and FERS Handbook for Personnel and Payroll Offices
The July 1999 edition is usable. All other previous editions are unusable.

**See the Attached Information Sheet**

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PRINT SAVE CLEAR

SF 2804
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# Information Regarding Voluntary Contributions

Civil Service Retirement System

## Filing Your Application

If you are an employee, you must submit the completed form to your agency personnel office. They will complete the agency certification box and forward your application to the Office of Personnel Management. If you are already separated for retirement and are waiting for your retirement application to be approved, no agency certification is needed. Send your application to:

**U.S. Office of Personnel Management**
**Retirement Operations Center**
**PO Box 45**
**Boyers, PA 16017-0045**

**Do not send** any payment with this application; if you do, it will be returned. OPM will send full instructions on how to make contributions once your application is accepted.

## Definition

Voluntary contributions are optional payments made to the Civil Service Retirement and Disability Fund for the purchase of additional annuity at retirement.

## Who May Make Voluntary Contributions

Active employees covered under the Civil Service Retirement System (CSRS) or retired employees whose applications for CSRS retirement are being adjudicated may make voluntary contributions, provided the Application to Make Voluntary Contributions, SF 2804, has been approved by OPM. No monies will be accepted until the SF 2804 is approved. OPM will not approve an application from anyone who, although otherwise eligible, (1) has not deposited amounts covering all civilian service performed by the applicant or (2) has previously received a refund of voluntary contributions, unless the applicant was separated for more than 3 calendar days and was again employed in a position subject to the CSRS after the refund was paid. Note that employees covered by or retiring under the Federal Employees Retirement System (FERS) are not eligible to make voluntary contributions. An employee who transfers from CSRS to FERS may not make additional contributions to an existing voluntary contributions account. However, the account will continue to earn interest as explained below.

## How to Make Voluntary Contributions

As long as you are eligible, you may make voluntary contributions at regular intervals or whenever you wish. They cannot be deducted from your salary. However, after your account is established, OPM will send you information about how to have payments deducted from your account at a bank or credit union. Each payment must be in multiples of $25 (i.e., $50, $75, $100, etc). Once your application is accepted, you will be assigned an account number and OPM will provide you with instructions for making payments. You may make voluntary contributions at any time after OPM notifies you that you have an account and before you apply for a refund or notify OPM that you want to purchase additional annuity.

## Limit on Contributions

Your total contributions cannot be more than 10 percent of the total of your basic civilian salary received as of the date any contribution is made. You cannot make contributions based on anticipated future earnings. OPM will compute your limitation when you retire or close out your account. We will accept the contributions you make; however, when you retire or close out your account, any amount found to be in excess of your limit will be refunded, without interest.

## Refund of Contributions

You may apply for and be paid a refund of all (not just a part) of your voluntary contributions plus earned interest at any time before you retire and receive additional annuity. Please note that you will not receive interest on the amount of your deposits that exceed the 10 percent limitation. If you are paid such a refund, your account is closed. You cannot open another account or again make voluntary contributions unless you are separated for more than 3 calendar days and are then reemployed in a position subject to CSRS.

## Interest

Your voluntary contributions account earns interest at a rate of 3 percent a year through December 31, 1984. Thereafter, your account earns interest at a rate equal to the average yield earned by new investments purchased by the Civil Service Retirement and Disability Fund during the preceding fiscal year. Interest begins to accrue on the date your voluntary contributions are deposited in your account. Interest is compounded annually on December 31 of each year. This interest is not subject to Federal income tax until it is paid to you.

As a general rule, your voluntary contributions stop earning interest on the earliest of the following dates: (1) the date OPM authorizes payment of a refund of your voluntary contributions; (2) the date you separate from Federal service; or (3) the date you transfer to a position not subject to CSRS (or FERS). Sole exception: if you separate from Federal service with entitlement to a deferred annuity commencing at age 62 and do not elect a refund of voluntary contributions, interest will continue to accrue to your annuity commencing date (62nd birthday) or your death, whichever is earlier. (Note: In the case of a separated employee with title to a deferred annuity who receives a refund of voluntary contributions — either before or after reaching age 62 — the general rule applies and no interest is payable for the time beyond the date of his or her separation from service.)

## If You Die While You Are a Federal Employee

In this event, your voluntary contributions and accrued interest are payable immediately in a lump sum. The money cannot be used to buy additional survivor annuity for your widow(er) or children. No interest accrues after your death.

## At Retirement

You may elect a refund of your voluntary contributions, plus interest, or you may purchase additional annuity. The amount of additional annuity purchased with your voluntary contributions and interest depends upon your age at the time you retire and, once fixed, it does not change as you grow older. If you retire at age 55 or younger and do not elect a survivor's voluntary contributions annuity benefit, each $100 to your credit will purchase $7 a year of additional annuity. This additional annuity increases by 20 cents for each full year you are over 55 when you retire. Thus if you retire at age 60, each $100 will purchase $8 a year of additional annuity; at age 62, $8.40 a year; and at age 70, $10 a year. The additional annuity is payable for as long as you stay retired. Cost-of-living adjustments are not applied to the additional annuity.

When you retire and elect to purchase additional annuity, you may elect to share your additional annuity with your spouse or any other person. If you do, your own additional annuity will be reduced and, at your death, the person you named will be paid half your additional annuity for the rest of his or her life. The reduction in your additional annuity will depend on the difference in ages between you and the person you name.

## Death After Retirement

Any voluntary contributions or interest not paid in the form of additional annuity to you or to your named survivor will be refunded in a lump sum.

## Federal Taxation of Voluntary Contributions

If you take a refund of voluntary contributions, any accrued interest is taxable in the year you receive payment, unless you roll it over into an IRA or other qualified retirement plan. Also, if you receive the refund before you attain age 59½, the interest portion of the refund is subject to an additional 10 percent early distribution tax. However, the following situations are exceptions to this 10 percent tax:

1. payments on account of disability (as defined by the Internal Revenue Service Code);
2. monthly additional annuity payments elected at the time of retirement (rather than a lump sum payment of the Voluntary Contributions account);
3. payments after separation from service during or after the year in which you attain age 55.

To determine whether the 10 percent tax applies, you should get Form 5329 (and instructions) from your local Internal Revenue Service office. The interest portion of the refund would be eligible for rollover treatment if you elect a refund at retirement. If you elect to receive an additional annuity as a result of your voluntary contributions, it will be taxed under the "General Rule." Please refer to IRS Publication 721, "Tax Guide to U.S. Civil Service Benefits" for further information. Payments to survivors are not subject to the 10 percent tax.

**Detach This Information Sheet and Keep It for Future Reference.**