



Making deposits for military service

As planning for retirement is on the minds of many of our members, we're reprinting this article, last published in November, about how to make deposits toward retirement for time spent in military service.

The law that permits certain veterans to make deposit for their time in the military to count toward Civil Service Retirement System (CSRS) or Federal Employees Retirement System (FERS) retirement (eligibility and amount of annuity) requires the employee to completely pay the full amount of the deposit prior to separation for retirement.

This column begins with a general introduction to making a deposit for military service, follows with discussion of the Postal Service's obligation to provide accurate and complete counseling regarding deposits for military service, and ends with a review of the exception to the general rule that military deposits must be completed prior to separation.

Under the CSRS and the FERS, an individual's "years of service" is a determining factor to establish eligibility to retire and to calculate the amount of the retirement pension. Generally, years of service are computed for a retiring employee by measuring the elapsed time between the start date of career service and the date of separation for retirement.

Military veterans can, in most cases, increase their years of service by making a deposit for their time in the military. Many veterans will find this advantageous because doing so may enable them to retire earlier and receive a higher pension. The amount of the deposit depends on which retirement system a veteran is in, how much they earned in the military and when the deposit is made.

The Office of Personnel Management (OPM) is the federal agency that has authority over CSRS and FERS retirement matters. OPM regulations require that deposits for military service be paid in full prior to the date of retirement. The deposit must be made to the employing agency (in our case, the Postal

Service). The amount of the deposit is 7 percent of basic military pay under CSRS, or 3 percent of basic military pay under FERS. Interest will begin to accrue two years after beginning career employment at the Postal Service, and is compounded annually. However, if the deposit is completed prior to the third year, there is no interest charged.

The Uniformed Services Employment and Reemployment Rights Act (USERRA) provides an alternative method to calculate the deposit under certain conditions. Where military service interrupts creditable civilian service and reemployment, the deposit payable may not exceed the amount that would have been deducted and withheld from basic pay during civilian service if the employee had not performed the period of military service. The Postal Service, when applicable, should calculate the deposit under the normal method and the alternate method under USERRA. The deposit will be the lesser of the two.

OPM regulates federal employers, including the Postal Service, when it comes to retirement matters. OPM provides the following guidance in a Benefits Administration Letter (BAL 17-101) dated Jan. 27, 2017:

- Each federal employing agency...must have the capacity to counsel, calculate, collect and to post all payments related to employees' deposits for military service...
- Agencies are required to provide accurate and complete counseling to all employees who seek to make post-1956 military deposit; this includes counseling as to the effect of paying or not paying the deposit(s) as well as the proper calculation of the deposit(s).
- Agencies are responsible for including accurate information about the accrual of interest on military deposits and to accurately determine and apply the Interest Accrual Date in any given request to make deposit for a period of military service.
- In general, an (agency) administrative error occurs when in response to an employee's inquiry, the employing agency provides material misinformation concerning the deposit and the consequences of not

making the deposit prior to separation... In addition, if an employee, at the time of election, affirmatively asks for information regarding the amount of the military deposit or the consequences of failing to make a deposit, the government commits administrative error if its response either misrepresents the dollar amounts in question, or is so indirect, inaccurate, or incomplete as to confuse the employee as to the amount of the deposit or the effect of any failure to make the deposit on the annuity recalculation.

It is clear from the above that the Postal Service is required to provide accurate and complete counseling regarding making deposit for military service to any employee requesting such counseling. There have, however, been instances where the Postal Service provided inaccurate and incomplete advice about making deposit for military time. Fortunately, there is an exception to completing the full deposit prior to separation: If a veteran did not make deposit prior to separation due to administrative error by the employing agency, the former employee may have the opportunity to make or complete a military deposit after separation.

If a veteran does not make deposit for military service prior to retirement because of a Postal Service administrative error or incorrect advice, they can write to OPM and request belated deposit. OPM will investigate and make a decision allowing or disallowing the request. Adverse decisions by OPM on such a request can be appealed to the Merit Systems Protection Board.

Veterans can access the above-quoted OPM Benefits Administration Letter at opm.gov.

Alternatively, you may contact the NALC Retirement Department at 202-393-4695 or 800-424-4695 (Monday, Wednesday or Thursday) to request a mailed copy.

To begin the military deposit process, contact the Human Resources Shared Services Center at 877-477-3273, Option 5, or TTD/TTY at 866-260-7507.

Veterans project for Boston national convention

With 19,800 members and counting, NALC's Veterans Group could do wonders in the community and with local veteran programs.

Veterans and other members of the branches can collaborate on a project to help homeless veterans in their local areas. This could include cleaning veterans' gravesites or visiting veterans in assisted-living homes who have no family. You can also volunteer at a VA hospital or form your own local veterans group and have a monthly meeting to talk about your service days. These are only a few ideas.

The U.S. Department of Veterans Affairs has shown a substantial decrease in homelessness among veterans. While this reduction is encouraging, the needs of veterans struggling with homelessness, unemployment and other barriers to reintegration still exist. Of the veterans living in America today, more than 35,000 veterans are homeless, and more than 15,000 experience unsheltered homelessness. Although they represent a relatively small percentage of the general population, veterans make up nearly 20 percent of the homeless population.

Massachusetts homes more than 277,000 veterans. And of them, 4.7 percent are unemployed, 6.1 percent live in poverty, and at least 1,200 are homeless. Most of the homeless veterans are men, but some are female with families. However, there are several veterans who may not be homeless, but they are at risk of becoming homeless.

The New England Center and Home for Veterans (NECHV) is a nonprofit organization and a national leader in housing and serving veterans who are at-risk of homelessness. NECHV is in downtown Boston and offers services throughout the region. NECHV supports veterans with innovative services that enable success, meaning-

ful employment, and dignified independent living.

The mission of the NECHV is to equip veterans who are facing or at risk of homelessness with the tools for economic self-sufficiency and to provide them with a path to achieve successful and dignified independent living. The NECHV is a service and care provider for former military service men and women. It offers a broad array of programs and services that enable success, reintegration, meaningful employment and independent living.

NECHV welcomes any person who has served this country in uniform. It provides an accommodating and supportive community that interrupts the downward cycle of hopelessness often accompanying being without a home. The Center seeks to mitigate and eliminate the disruption and disability that homelessness creates. It provides a home, meals, a connection to the community, resources, a sense of identity, and a path to a better future. See nechv.org for more details.

They are "veterans helping veterans." Thank you for your service today, tomorrow and forever!

The NALC Veterans Group will host a booth at the Boston national convention Aug. 5-9. Starting May 1, the following link will be active to donate: p2p.onecause.com/nechvlettercarriers.

Your monetary donations will provide vital support to veterans.

Contact Assistant to the President for Community Services Christina Vela Davidson at 202-662-2489 or cdavidson@nalc.org with any questions.



Join the NALC Veterans Group

The NALC Veterans Group is designed to provide NALC members—both active and retired letter carriers—who are also military veterans the ability to connect with fellow NALC veterans and stay informed on issues of importance to letter carrier veterans. It is free to join.

Members receive a pin as a symbol of gratitude for their military service and membership in NALC.

If you are interested in joining the group, complete the sign-up card at nalc.org/veterans.