



DEFENSE FINANCE AND ACCOUNTING SERVICE
ARLINGTON

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MEMORANDUM FOR DISTRIBUTION

SUBJECT: Agency Contributions to the Civil Service Retirement
and Disability Fund

The new statutory authority for buyouts for civilian employees of the Department of Defense (DoD) is 5 U.S.C. 9902(i), which was enacted on November 24, 2003, by Section 1101 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136). The previous statutory authority for buyouts for DoD was 5 U.S.C. 5597, which expired on September 30, 2003.

DoD is **not** required to remit to the Civil Service Retirement and Disability Fund (CSRDF) any agency contributions for employees who receive a voluntary separation incentive (VSI) payment under this new buyout authority and separate on or after December 30, 2003 (the effective date of the DoD implementing guidance). Previously, DoD was required to remit to the CSRDF an amount equal to 15 percent of the final basic pay for all employees who received a VSI payment.

We will modify our procedures to preclude the recording of obligations and the remitting of monies for agency contributions for any VSI payments made under 5 U.S.C. 9902(i) to DoD civilian employees who separate on or after December 30, 2003. Please discontinue the corresponding obligating of funds for these contributions.

Any questions concerning this memorandum may be directed to Mr. Paul Axe at (703) 607-5023.

Jerry S. Hinton
Director for Finance

cc: National Security Agency
(Laneita Kisamore)

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