

Determining “Immediate” Makeup Agency Matching Contributions

If a FERS employee returns to civilian service or pay status pursuant to the provisions of USERRA, the employee is entitled to receive “immediate” makeup agency matching contributions to his or her civilian account if he or she had contributed to the TSP while performing military service. To determine the amount of such “immediate” agency matching contributions, follow the steps below. (The examples reflect an employee who was in nonpay status to perform military service for 50 pay periods and whose basic pay for these pay periods totaled \$100,000.)

1. Obtain the amount of contributions from *basic pay* that the employee made to his or her uniformed services account (e.g., \$2,000). This information must be obtained from the employee.
2. Obtain the amount of *matching contributions* that were made to the employee’s uniformed services account (e.g., 0). NOTE: No service secretary has yet authorized matching contributions.
3. Determine the basic pay that the employee would have received for the period of military service had he or she remained in civilian service or pay status (e.g., \$100,000).
4. Divide the amount in 1 by the amount in 3 and convert the result to a percentage (e.g., $\$2,000/\$100,000 = .02 \times 100 = 2\%$).
5. If the percentage in step 4:
 - a. is 5 or more, multiply the amount in 3 (total basic pay) by 4% to determine potential “immediate” agency matching contributions.¹
 - b. is 3 or less, the potential “immediate” agency matching contributions equal the amount in 1 (e.g., \$2,000).²
 - c. is greater than 3 but less than 5, multiply the amount in 3 by 3% and add to that result one-half of the amount in 1 that is over 3%. (For example, if the amount in 1 were \$4,000, this computation would be: \$3,000 (which is 3% of \$100,000) + $.5 \times (\$4,000 - \$3,000) = \$3,500$.)³
6. Subtract the amount in 2 from the amount in 5. This is the amount of “immediate” agency matching contributions to which the employee is entitled.

¹ If a FERS employee contributes 5% or more of his or her basic pay, the agency matching contributions are equal to 4% of basic pay.

² If a FERS employee contributes up to 3% of his or her basic pay, the agency matching contributions are dollar-for-dollar.

³ If a FERS employee contributes more than 3% but less than 5% of his or her basic pay, the agency matching contributions are dollar-for-dollar on the first 3% and 50 cents per dollar on the next two percent.