



United States Office of Personnel Management

FERS Refund Fact Sheet

What are the Eligibility Requirements?

If you leave the federal service before becoming eligible for retirement, you can request a refund of your retirement deductions if you meet **all** the following requirements:

- You have been separated from federal service for at least 31 days or transferred to a position not subject to FERS retirement deductions for at least 31 days.
- You are not reemployed in a position subject to CSRS or FERS retirement deductions.
- You filed a Federal Employees Retirement System (FERS) Application for Refund of Retirement Deductions ([SF 3106](#)) with OPM.
- You are not prohibited from receiving a refund because of a court order.
- You have obtained consent from your current spouse to take a refund, if applicable.
- You have obtained consent from your former spouse(s) to take a refund, if applicable. This may include sending OPM a copy of any court orders related to divorce or legal separation.

Note: To file an application for a refund, you cannot be eligible to receive an annuity within 31 days after filing the application.

Can I Keep My Contributions in FERS?

If you have 5 years of civilian service, you are vested in FERS and would be eligible for an annuity at age 62. You may be eligible before age 62 if you have 10 or more years of service. You should evaluate the potential value of a deferred retirement annuity in comparison to taking a refund.

What are the Consequences of Taking a Refund?

Receiving a refund of retirement deductions **voids** all annuity rights under FERS.

However, if you receive a refund of retirement deductions and later return to the federal service in a position subject to FERS deductions, consider the following:

- You may be entitled to complete a redeposit. Completing a redeposit will reestablish credit for the previously refunded service.
- The amount of the redeposit is equal to the refund received, plus interest. Refer to the OPM webpage on [Service Credit](#) for more information.
- If you gain title to an annuity after returning to federal service and you decide not to complete a redeposit, the refunded service will not be used in the computation of your annuity. Your annuity will be smaller, as will any annuity due to a surviving spouse. However, the refunded service may be used for determining your retirement eligibility.

What is the Application Process?

- If separated from service for 30 days or less, mail your [SF 3106](#) to your former personnel office for completion of the agency portion. They will send forward it to OPM for processing once you meet the 31 days post-separation eligibility requirement.
- If separated for at least 31 days, send application to: U.S. Office of Personnel Management (OPM), Federal Employees Retirement System, P.O. Box 45, Boyers, PA 16017-0045.

Will I Receive Interest on My Refund?

- Interest will be paid on your FERS refund at the same rate earned by government securities if the period(s) of service which the refund covers totals more than one year.
- If you had any service under the Civil Service Retirement System (CSRS), interest will be paid at three (3) percent if you have more than one but less than five years of service.

Is My Refund Taxable?

- Your retirement deductions are not taxable, but any interest included in the refund payment is taxable unless you roll it over directly into another qualified plan or a traditional individual retirement arrangement (IRA) or traditional SIMPLE IRA.
- Taxes on interest paid directly to you will be held at a 20% rate.
- For additional tax information refer to the Internal Revenue Services' [Publication 721 \(2024\)](#), [Tax Guide to U.S. Civil Service Retirement](#).

Who Can I Contact for More Information?

- If you have been separated from federal service for 30 days or less, contact your former servicing HR office.
- If you have been separated from federal service for more than 30 days and applied for refund of retirement deductions, contact OPM at 1-888-767-6738.

Where Can I Find Additional Resources?

You can find more information on applying for a refund on the OPM website at:

[Former Employees](#)

You can find more information about the taxation of payments from qualified retirement plans from the following Internal Revenue Service publications:

- [IRS Publication 575](#), *Pension and Annuity Income*
- [IRS Publication 721](#), *Tax Guide to U.S. Civil Service Retirement System Payments*
- [Form 4972](#), *Tax on Lump Sum Distributions*