

**February 27, 2006**

***To all applicants for the PIT buyback program,***

After lobbying for this benefits program for more than a decade, AFSA has expressed their great satisfaction in seeing the PIT buyback program going into effect at last. They successfully argued that family members should be able to obtain credit toward retirement for their service as PIT employees at US missions overseas. Family members had few opportunities for employment as they accompanied their spouses to a series of foreign assignments in the course of a normal Foreign Service career. In 2002, Congress was reluctantly convinced to pass legislation creating the PIT buyback program but strictly limited benefits to those with service in US missions overseas (not in Washington) and to family members.

In order for the Office of Retirement, HR/RET, to determine that the applicant qualifies for this benefit we will need to document all applicants' status as family members. No exceptions. We have already received queries from former PIT employees who performed the same jobs but who were hired under the Rockefeller program. Under the Rockefeller program, employees were required to be U.S. citizens but not family members. They are therefore not eligible to participate in the PIT buyback program and will not receive credit toward retirement for their service.

There is no one document in your OPF that consistently confirms you were a family member. Your status is *not* indicated on your SF 50s. An official document issued at the time you performed this service, either your passport with the notation that the bearer was abroad on a diplomatic assignment for the U.S. Government, or your sponsor's orders should serve the purpose. Applicants who served as Community Liaison Office Coordinators (CLOs) do not have to submit additional documentation of their status as family members because being a family member is one of their job requirements. If you are applying to purchase credit for more than one period of service, you do not need to document your status as a family member for each period. Once will suffice.

Many of you have asked if the benefits you stand to receive from the buyback program are worth the hassle of the application process. The answer is absolutely yes. If you can prove that you meet the requirements of the program, you will qualify for an increased annuity for the rest of your life. In some cases, you would not qualify for any pension at all without this additional service. If you create a survivor annuity, your spouse or other designated survivor could receive a pension.

Of course, this benefit is not free of charge. You must pay a deposit equal to the amount you would have contributed to the retirement plan if you had been eligible at the time, i.e. less than one percent of what you earned between January 1, 1989 and May 23, 1998, plus interest. The employing agency, in most cases the Department of State, must pay a substantially larger deposit, more than 12 times what the individual owes, based on your earnings. However, you stand to gain a significant amount of money. If you are covered by FERS your pension will be increased by one percent for every year of service. That rate of increase is even higher for those of you covered by FSPS.

We are now approaching two hundred applications. We are working through the implementation issues for the PIT buyback program, but we still need cover letters from those who have not submitted them yet. (Instructions and a sample cover letter are attached.) Please contact me if any part of your service was with an agency other than the Department of State. Those agencies will be responsible for payment of the employing agency deposit that corresponds to your deposit as a former PIT employee and the procedure outlined in the cover letter is slightly different.

As soon as I am able to determine that you have met all the eligibility requirements I will complete Part B and forward your application to the Retirement Accounts Division (RAD). RAD will advise you of the amount of the deposit you will have to pay and provide payment instructions. I look forward to moving your applications to the next phase of implementation.

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