

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
D.C. Office of Personnel**

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District Personnel Manual Issuance System

DPM Instruction No. 26C-6

SUBJECT: The District of Columbia Retirement Benefits System **Date:** December 15, 2003

NOTE: This instruction supersedes DPM Instruction No. 26C-4, dated July 29, 2003.

1. Purpose

The purpose of this instruction is to provide updated information about the District of Columbia Employees' Retirement Benefits Program, including the current percentage of the District government's contribution to the Defined Contribution Plan.

2. Scope

a. Background

The Federal Employees' Retirement System Act of 1986, enacted on June 6, 1986 (P.L. 99-335), specifically excluded individuals "first employed by the government of the District of Columbia" on or after October 1, 1987 from coverage under the federal Civil Service Retirement System (CSRS), Group Life Insurance Program, and the Health Benefits Program.

- b. The District of Columbia Government Comprehensive Merit Personnel Act of 1978 Employee Benefits Amendment Emergency Act of 1987, effective October 1, 1987 (D.C. Law 7-27; D.C. Official Code § 1-621.02), provided retirement, health and life insurance programs for certain employees of the District government first employed after September 30, 1987, who would otherwise have been covered under the federal benefit programs.

3. Employee Coverage

- a. The District of Columbia Retirement Benefits Program is applicable to individuals "first employed by the District government" on or after October 1, 1987 (other than police officers, firefighters and teachers).

Note: DPM Instructions that are strictly procedural in nature have direct applicability only to agencies and employees under the personnel authority of the Mayor. Other personnel authorities or independent agencies may adopt any or all of these procedures or guidance materials for agencies and employees under their respective jurisdictions. [See DPM Chapter 2, Part II, Subpart 1, § 1.3]

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- b. An individual who was employed with the District government prior to October 1, 1987 in a position subject to CSRS coverage who subsequently terminates such employment and becomes reemployed with the District government on or after October 1, 1987 would be covered by the CSRS. The type of reappointment also determines CSRS entitlement. That is, the type of position to which the individual is reappointed must be a position that would otherwise have been covered by the CSRS.
- c. A federal government employee who has never worked with the District government in a CSRS covered position is not eligible to retain or obtain CSRS coverage upon employment with the District government. Such an individual would be covered by the District of Columbia Retirement Benefits Program.

4. District of Columbia Retirement Benefits Program

The District of Columbia Retirement Benefits Program consists of three (3) components:

- a. Social Security, with employee and matching employer contributions;
- b. A Defined Contribution Plan under § 401(a) of the Internal Revenue Code. Funds are in a tax-deferred trust and are managed by the District government. The major features of this plan are:
 - (1) One (1) year of service is required before the plan is effective for an employee;
 - (2) The District government's contribution to the plan is an amount equal to five percent (5%) of the employee's base salary (5 ½% for detention officers). The term "Detention Officer" under this plan has the same meaning as the term "Law Enforcement Officer" under the CSRS;
 - (3) Contributions are made each pay period based on the employee's pre-tax base salary (excluding overtime, holiday, and Sunday pay);
 - (4) There are no employee contributions to this plan;
 - (5) The District contributions will vest to a participant upon completion of five (5) years of creditable service in covered employment; death while employed; or permanent disability. "Vesting" refers to the employee's right to receive the account balance held on his or her behalf when he or she leaves District government service. All service under the 401(a) counts toward this, including the one-year (1-year) wait to enter the plan.
- c. A Deferred Compensation Program. The Program is available to any employee who voluntarily elects to participate in it. The Program was created by the Deferred

Compensation Act of 1984, effective September 26, 1984 (D.C. Law 5-118; D.C. Official Code § 47-3601 *et seq.*). Under the program, employees may defer a specific dollar amount as provided by the Internal Revenue Service (§ 457(b)) for tax purposes. No income taxes are paid on the amount put into the plan or on the earnings until actual disbursement of the funds. The employee directs the investment of his or her funds by choosing from a selection of investment options.

5. Responsibilities

Each personnel authority must advise employees eligible for coverage under the District of Columbia Retirement Benefits Program of their entitlements under the Program, and authorize access to the contractors who administer the Program.

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