

## **Buying Back Sub-Time For Retirement**

*Written by Mark Larman (GARLCA)*

I was prompted by a phone call I received to write about buying back Sub time for retirement.

If you worked as a sub in the 1980's (up to 12/31/1988), you may be able to buy some of it to add to your retirement.

For every day you worked those years you can add it to your retirement by paying what your retirement contribution would've cost plus interest.

Let's say you worked prior to January 1, 1989 as a sub. During those years the days you actually worked equaled two years.

You can buy back those two years and be able to retire two years earlier. The days worked aren't limited to rural route work either.

Any day you were in a pay status, no matter the number of hours, count as a day.

This may not seem much to you now, but when you're 60 with 18 years of service, those two years could put you into retirement when you want it most.

The amount you owe is calculated on the amount you earned during the creditable time.

The formula is amount earned times 1.3% plus variable interest rates. The best time to buy those years back are when you first go regular, because usually it hasn't added up to much money at that point. If you wait until later, you'll have to pay interest on it, and it will cost you a little more.

My suggestion would be, when you find out how much it is, to pay it off all at one time. If you haven't got the money saved, then borrow it from the credit union and pay them back in-stead of making payments to Office of Personnel Management (OPM).

Buying back your time is at least a three step process.

First contact Personnel or [www.opm.gov](http://www.opm.gov), and request a form SF3108 to get the process started.

Complete your portion (page 1) and return the form to Personnel. They will complete the form and forward it to OPM.

OPM will send a bill and instructions to you for payment directly to them. This is a one-time statement, so don't misplace it.

Once you receive this, you can send them the money.

When you receive the paperwork showing you've paid the amount in full, get in touch with Personnel

at your District Headquarters and provide them with copies so they can get your retirement date changed.

Be sure to keep copies of all paperwork in a safe, secure location, because more than likely you will have to refer back to these at your

**retirement time.  
In Your Service,  
Mark Larman (GARLCA)**

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