



## Agency Retirement Application Audit Recommendations for Common Payroll Errors

This quick reference document provides guidance on the common Payroll Office errors reported on the monthly Agency Audit with the goal to help reduce the overall error rate. High error rates result in cases requiring development, which ultimately delays the final adjudication of retirement claims.

The rapid shift from in-person to remote work due to the national COVID-19 pandemic has resulted in a notable increase in retirement package errors. We have issued several [Benefits Administration Letters \(BALs\)](#) to aid agencies in preparing retirement packages during this sudden change in operations. The below table provides valuable resources and recommendations to help agencies reduce the frequency of these common Payroll Office errors:

<b>Payroll Error</b>	<b>References and Guidance</b>
Individual Retirement Record (IRR) for post-1956 (P56) military service deposit not marked as “Paid in Full” (PIF)	<ul style="list-style-type: none"> <li>• Reference: <a href="#">BAL 17-101</a>; <a href="#">BAL 21-101</a></li> <li>• Manually review IRRs for cases with P56 military service deposits</li> <li>• Establish a process to manually annotate IRR with “Paid in Full” if an automated process does not exist</li> <li>• Conduct a review of P56 military service deposit IRRs prior to final submission to OPM</li> <li>• Ensure IRRs are annotated for P56 military service</li> </ul>
Complete IRRs for covered service not included for current agency/payroll	<ul style="list-style-type: none"> <li>• Reference: <a href="#">BAL 12-103</a>; <a href="#">BAL 01-106</a>; <a href="#">BAL 15-102</a>; CSRS/FERS Handbook, <a href="#">Chapter 81</a>, Section 81A2.2-4</li> <li>• Establish a review process to verify all IRRs with required data are included in retirement application package before final submission to OPM</li> <li>• Make sure the IRR and retirement application package are sent to OPM at the same time</li> <li>• Ensure all required annotations are included on IRR</li> </ul>
SF 2821, Agency Certification of Insurance Status  Not signed by payroll	<ul style="list-style-type: none"> <li>• Reference: <a href="#">BAL 22-101</a>; <a href="#">Appendix A</a>; <a href="#">Appendix B</a>; <a href="#">Common Questions</a>; <a href="#">BAL 12-102</a></li> <li>• Implement an additional review of the SF 2821 and/or entire retirement application package prior to submission to OPM</li> <li>• Make sure a signed SF 2821 is included for all employees eligible to continue FEGLI</li> </ul>

<p>Health Benefits – Premium Conversion (HB-PC) breakdown for CSRS Offset service beginning in calendar year 2003 not provided on IRR</p>	<ul style="list-style-type: none"> <li>• Reference: <a href="#">BAL 02-304</a>; <a href="#">BAL 02-318</a></li> <li>• Conduct a manual review of the IRRs prepared for separating CSRS Offset employees</li> <li>• Evaluate automated processes if information should be loading automatically onto IRR</li> <li>• Manually enter the necessary information on IRR prior to submission to OPM</li> </ul>
<p>Incorrect FEHB code on Data Exchange Gateway (DEG) File and/or IRR</p>	<ul style="list-style-type: none"> <li>• Reference: <a href="#">BAL 14-105</a>; <a href="#">Attachment 1</a></li> <li>• Submit data effective on the date of retirement</li> <li>• Verify final 3-digit FEHB code before DEG file transmission or finalizing the IRR</li> <li>• For an Open Season change or FEHB change effective after retirement, verify that a FEHB cover sheet (<a href="#">Attachment 2</a>) is on top of the final retirement application package</li> </ul>

For additional OPM resources and reference materials, please visit the Retirement Services, Publications and Forms page at <https://www.opm.gov/retirement-services/publications-forms/>.

We encourage Payroll Offices to work with their supported agencies to address any questions or concerns regarding this document or the monthly Agency Audit results.

We are in the process of developing new retirement tools and resources to assist agencies in better serving the Federal workforce. Payroll Office leadership may contact the Benefits Officers Development and Outreach team at [benefits@opm.gov](mailto:benefits@opm.gov) or 202-606-0788 with any questions or to further discuss this guide.