



Commissioned Corps Personnel and Readiness  
Office of the Surgeon General  
1101 Wootton Parkway, Plaza Level, Suite 100  
Rockville, MD 20852

September 5, 2013

Dear PHS Retirees and Annuitants:

Effective January 1, 2014, the U.S. Coast Guard (USCG) Pay & Personnel Center located in Topeka, KS will become the servicing payroll office and assume responsibility for processing pay for retired officers of the Public Health Services (PHS) and their surviving annuitants. The Public Health Service Commissioned Corps Compensation Team is in the process of transferring payroll files and records to the Coast Guard in preparation for this transition.

The Coast Guard Pay & Personnel Center has been in operation in Topeka, KS for over 30 years and currently provides payroll services to approximately 80,000 active duty, reserve, and retired members of the Coast Guard and National Oceanic & Atmospheric Administration (NOAA). They are looking forward to the opportunity to serve retired PHS officers and annuitants, and will offer new services including the ability to make secure internet changes to direct deposit information, Federal and State withholdings, address and deductions. The Pay & Personnel Center will also provide their retiree newsletter which includes topics of interest to all uniformed service retirees and annuitants. Their complete contact information is shown below:

COMMANDING OFFICER (RAS)  
USCG PAY & PERSONNEL CENTER  
444 SE QUINCY ST.  
TOPEKA, KS 66683-3591

Phone: (800) 772-8724 (toll-free)  
(785) 339-3415 (local)

Fax: (785) 339-3770  
E-Mail: [PPC-DG-RAS@uscg.mil](mailto:PPC-DG-RAS@uscg.mil)  
Web: <http://www.uscg.mil/ppc/ras/>

We have attached a list of questions and answers (Q&A's) we anticipate you may have concerning the transition of payroll responsibilities from the PHS to USCG.

Generally, there will be minimal changes that will affect you as the retiree or annuitant:

- You will continue to be paid monthly by direct deposit on the first day of the month.
- You will be mailed a Pay Statement during months that your pay changes.
- You will be issued an IRS Form 1099R annually in January
- You will continue to be able to have health care (Tricare Dental, Tricare Prime, and U.S. Family Health Plan) and government insurance (VGLI/NSLI) premiums deducted from your retired pay.
- The Department of Veterans Affairs will interface with the Coast Guard Pay & Personnel Center in terms of offsets of pay and concurrent receipt.

Some changes you will see after transition are:

- The appearance of the Pay Statement will be different
- The forms used to administrate your pay will change
- The Coast Guard Pay & Personnel Center will assist you with questions about your pay, or changes you wish to implement to your pay instead of PHS Commissioned Corps.

Please help us with this transition to the Coast Guard Pay & Personnel Center by checking and completing the following three important items **by December 1, 2013**:

- ✓ ***(Retirees and Annuitants – Provide to PHS)***. If you are not confident that the PHS Payroll system contains your current payroll address, please confirm it by checking in your Lyceum On-Line Viewer Account at <https://phs.lyceum.com>. If you are unable to log-in to this account, please send email to [cchelpdesk@psc.hhs.gov](mailto:cchelpdesk@psc.hhs.gov). Your correct address should be mailed or faxed to Commissioned Corps Compensation, 8455 Colesville Road, Silver Spring, MD 20857; FAX: 301-427-3431/3432.
- ✓ ***(Retirees and Annuitants – Provide to CG)***. If your state of legal residence differs from your current payroll address, please provide your current state of legal residence to the Coast Guard. They will accept this in an email, fax or letter.
- ✓ ***(Retirees – Provide to CG)***. Every retiree should complete Coast Guard Form CG-3600, “Designation of Beneficiary for Unpaid Retired Pay”. This form is important to ensure proper distribution of your retired pay in the event of your death. It can be accessed online here: [http://www.uscg.mil/forms/cg/CG\\_3600.pdf](http://www.uscg.mil/forms/cg/CG_3600.pdf). Please write “PHS” and your PHS service number in block 3 of this form. If you don’t remember your PHS service number, it can be found in your Lyceum On-Line Viewer Account.

The Public Health Service and Department of Health & Human Services greatly appreciate the service you have provided the nation. We are confident that our partnership with the Coast Guard in the transfer of retiree/annuitant pay services will be a smooth and efficient process. If you have any questions or concerns, please contact us via email at: [compensationbranch@psc.hhs.gov](mailto:compensationbranch@psc.hhs.gov)



CAPT Paul Jung  
Acting Director, DCCPR

**Q&A IN CONJUNCTION WITH TRANSFER OF PAYROLL FUNCTIONS  
FROM PHS COMMISSIONED CORPS COMPENSATION,  
TO COAST GUARD PAY & PERSONNEL CENTER, TOPEKA, KS**

**Pay Dates & Amounts**

Q: Will the date on which I am paid change?

A: You will continue to be paid monthly on the first day of the month. If the first of the month falls on a weekend or holiday, the pay date will be the last working day of the previous month. The paydays for calendar year 2014 are as follows:

<b>Payroll Month</b>	<b>Payday</b>	<b>Payroll Month</b>	<b>Payday</b>
January	January 31	July	August 1
February	February 28	August	August 29
March	April 1	September	October 1
April	May 1	October	October 31
May	May 30	November	December 1
June	July 1	December	December 31

Q: Will the amount I am paid change under the Coast Guard's pay system?

A: Your first payment will be issued by the Coast Guard on January 31, 2014, covering pay you were entitled to during January. This payment should be consistent with the amount you received on December 31, 2013 from PHS. Some changes you can expect to see are:

- Your FWT (federal withholding tax) will change if the IRS publishes new tax withholding tables effective January 1, 2014.
  - If you are receiving Concurrent Retirement Disability Payment (CRDP) for a VA disability of 50% to 90%, your CRDP payment will increase. Effective January 1, 2014, eligible CRDP recipients are entitled to receive CRDP in an amount equal to their VA compensation offset (with the exception of certain military disability retirees).
  - You may see a slight variance (\$1 or less) in certain payroll earnings or deductions due to rounding rules associated with the new computer software. Rounding rules could slightly impact the amount of your:
    - Concurrent Receipt Disability Payment (CRDP)
    - Combat-Related Special Compensation (CRSC)
    - Garnishment or Former Spouse (FSPA) deduction
    - Survivor Benefit Plan (SBP) premium.
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## **Pay Statements**

Q: How often will I receive a pay statement providing a breakdown of my pay?

A: At the end of January 2014, all PHS payroll customers (retirees, annuitants, and former spouses) will be mailed a pay statement providing a detailed pay breakdown. This pay statement will be an important one for you to keep as it provides your initial pay amounts under the Coast Guard system, and it provides your Employee ID number, which is a number identifying you within the Coast Guard's payroll system. You will need this Employee ID number to make changes to your pay account through the web-based self-service system. You will also want to include your Employee ID number on any correspondence or pay requests you submit to the Coast Guard Pay & Personnel Center.

After January 2014, you will be mailed a pay statement only during months that your pay changes. However, an electronic pay statement will be produced each month (even during months that your pay does not change), and you can view and print it using the web-based self-service system.

Q: What will the pay statement look like?

A: A sample pay statement is attached to this information packet.

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## **Contacting USCG Pay & Personnel Center**

Q: When I call the USCG Pay & Personnel Center on the toll-free line (1-800-772-8724), who should I ask for?

A: Please provide the person answering the phone your last name and let them know you are a PHS retiree or annuitant, and you will be transferred to your cognizant payroll technician.

Q: What things should I be sure to keep the USCG Pay & Personnel Center informed of?

A: You should notify the USCG Pay & Personnel Center as soon as possible when the following life events occur:

- A change in marital status (marriage, divorce, death, annulment, remarriage).
- Death of a designated Survivor Benefit Plan (SBP) beneficiary.
- Change in financial institution or account number for your direct deposit.
- Change of address, phone number, or E-Mail address.
- Any other change which could impact the amount of your retired pay.

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## **Retiree and Annuitant Self Service System**

Q: What is the purpose of the self service system?

A: Under the self service system, payroll customers have the capability to use their personal computers to retrieve information and manage aspects of their pay through a secure and encrypted web-based application.

Q: What sort of computer access must I have to use the self service system?

A: You will need to have access to the internet, preferably using Internet Explorer. You also must have a valid personal E-mail address. Documents you retrieve from the system will be in a PDF format, and in order to view them, you will have to have Adobe Reader or some type of PDF reader installed on your computer.

Q: What is the web address for the self service system?

A: <https://portal.direct-access.us>.

Q: What are my User ID and Password for accessing the system?

A: Your User ID is your 7-digit Employee ID # -- shown at the top of your Pay Statement. Your Password will be 12 digits. It will initially be defaulted to the following: CG + last 4 of your SSN @ four digit birth year. (For example, if the last 4 digits of your SSN are 1234 and you were born in 1956, your default password is CG1234@1956.) Upon initially logging in using your default password, you will be prompted to change your password.

Q: What functions can I perform using the self service system?

A: Customers have the capability to make the following changes through the self service application:

- Change direct deposit information.
- Update mailing address, e-mail address(es), and phone numbers
- Start, stop, and change allotments from pay (retirees only)
- Change federal tax withholding (effective Jan 2014)
- Change state tax withholding (retirees only) (effective Jan 2014)
- View and print Pay Statements and annual IRS Forms 1099R
- View final pay beneficiary designations (retirees only)
- Opt in/out of receiving your Pay Slip and the Quarterly Retiree Newsletter by mail.

Q: Where can I get detailed procedures on using the self service application?

A: Please refer to the Coast Guard Pay & Personnel Center web site at <http://www.uscg.mil/ppc/ras/>.

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## Taxes

Q: How do I change my federal withholding tax (FWT) amount?

A: You can change your FWT through the self service system or by written request. Written requests can be made by retirees on IRS Form W-4, and by annuitants using IRS Form W-4P. The IRS web site, <http://www.irs.gov>, provides access to these forms.

Q: What happens if I do not submit an IRS Form W-4 or W-4P for tax withholding?

A: IRS regulations require that federal taxes be withheld from pensions and annuities at the married with 3 withholding allowances rate.

Q: Can I have state taxes withheld from my pay?

A: Only retirees can have state taxes withheld – annuitants cannot. The retiree’s legal residence state must have an agreement authorizing withholding of state taxes. At the current time, 37 states have entered withholding agreements. They are listed at the following web site: <http://www.dfas.mil/retiredmilitary/manage/taxes.sitw.html>.

Q: What form does a retiree submit to start or change state withholding tax (SWT)?

A: Retirees can start or change SWT using the self service application, or by calling, E-mailing, or mailing/faxing a written request. Only specific dollar amounts, minimum of \$10.00, in even dollars, may be withheld.

Q: If I lose my annual 1099R form, or feel a correction is needed to my 1099R, who do I contact?

A: For 2013 and prior tax years, you’ll need to contact the PHS Compensation Branch (Phone: 301-427-3280. For 2014 and future tax years, you will contact the Coast Guard Pay & Personnel Center.

Q: Will the Coast Guard supply annual taxable income data (from IRS Forms 1099R) to states?

A: Many states have an agreement with the IRS to access/share federal taxable income data. The Coast Guard will report each customer’s state of legal residence, annual taxable income, and state tax withholdings in blocks 12 thru 14 of the IRS Form 1099R.

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## **Deductions**

Q: What types of deductions may retirees have from their pay?

A: Retirees may enroll in certain government health care and insurance programs through vendors, and authorize the vendor to deduct insurance premiums from retired pay. The following deductions are authorized:

- Tricare Retiree Dental Plan (TRDP), <http://www.trdp.org>
- Tricare Prime, <http://www.tricare.mil>
- U.S. Family Health Plan (USFHP), <http://www.tricare.mil>
- Federal Long Term Care Insurance (FLTCIP), <http://www.opm.gov/insure/ltc/>
- Veterans' Group Life Insurance (VGLI), <http://www.insurance.va.gov>
- National Service Life Insurance (NSLI), <http://www.insurance.va.gov>

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## **Allotments**

Q: What types of allotments may retirees have deducted from their pay?

A: Retirees (not annuitants) may request the following types of allotments:

- Commissioned Officer Association (COA)
- Navy Mutual Aid Insurance (NMAI)
- Commercial insurance
- Personal savings account
- Treasury Direct account (for purchase of Treasury securities/bonds)
- Home loan / mortgage / rent
- Support of dependents
- Commercial insurance

Q: How does a retiree start, stop or change an allotment?

A: This can be done using the self service system, or by submitting Form CG-7221 (Retired Allotment Authorization Form). Form CG-7221 is available on-line at <http://www.uscg.mil/ppc/ras/>, or you can call the Coast Guard Pay & Personnel Center and request that a form be mailed to you.

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## SAMPLE PAY STATEMENT

DEPARTMENT OF HOMELAND SECURITY U.S. COAST GUARD CG-5209-RET (REV 12-07)			<b>U.S. COAST GUARD RETIREE/ANNUITANT STATEMENT OF MONTHLY INCOME</b>				
Period Covered 1-31 DEC 2012		Pay Grade	Employee ID		Pay Delivery EFT		
<b>BIRTHDATES FOR SBP PURPOSES</b>			<b>SBP INFORMATION</b>				
Member 1951-AUG-	Beneficiary/Spouse 1952-JAN-	Youngest Child N/A	Coverage Type 1-Spouse	Base Amount 2,671.91	Annuity 1,470.00		
<b>ENTITLEMENTS</b>			<b>DEDUCTIONS</b>				
		OLD	NEW				
RETIRED PAY		2,613.00	2,657.00	FTW	242.59	248.76	
<b>TOTAL ENTITLEMENTS</b>		2,613.00	2,657.00	SBP-SP PREMIUM	170.72	173.62	
<b>ALLOTMENTS</b>							
		OLD	NEW	FSPA GARN	1,221.14	1,241.69	
DENTAL		36.92	36.92				
CG ASSOC		5.00	5.00				
VGLI		54.00	54.00				
<b>TOTAL ALLOTMENTS</b>		95.92	95.92	<b>TOTAL DEDUCTIONS</b>	1,634.45	1,664.07	
<b>YOUR NET PAY</b>	Old Amt 882.63	Name		Bank Name	Route Nbr	Amount	
	New Amt 897.01			Kansas Super Chief C		897.01	
<b>FEDERAL TAXES</b>				<b>STATE TAXES</b>			
Exemptions M/0	Mo Tax Income 2,483.38	Income YTD 29,348.46	Withheld YTD 3,342.25	State #1	Withheld YTD 0.00	State #2 Withheld YTD 0.00	

COMMENTS ARE ON REVERSE SIDE

**REMARKS:**

**YOUR PAY DATA CHANGES:**

- RETIRED PAY HAS CHANGED DUE TO STATUS CHANGE OR COLA ADJUSTMENT
- FEDERAL TAX WITHHOLDING (FWT) CHANGED
- SBP SPOUSE PREMIUM CHANGED
- FORMER SPOUSE GARNISHMENT DEDUCTION CHANGED

**IF YOU HAVE QUESTIONS, CONTACT:**

COMMANDING OFFICER (RAS)  
USCG PAY & PERSONNEL CENTER  
444 SE QUINCY STREET  
TOPEKA, KS, 66683-3591 PHONE: 1-800-772-8724

RETIRED PAY RECORDS ARE COMPUTER  
MATCHED WITH OTHER FEDERAL  
EMPLOYMENT AND BENEFIT RECORDS  
FOR DEBT PURPOSES.  
BE SURE TO VERIFY ALL DATES OF BIRTH  
LISTED ABOVE FOR DEERS PURPOSES.