
Table of Contents

Subchapter 50A CSRS**Part 50A General Information**

Section 50A1.1-1 Overview	1
A. Introduction	1
B. Topics Covered	1
C. Organization of Subchapter	2
D. Statement of Authority	2

Part 50A2 Components of the Basic Annuity

Section 50A2.1-1 Introduction	3
A. General Rule	3
B. Basic Annuity Reductions	3
Section 50A2.1-2 Length of Service	4
A. Creditable Service for Computation Purposes	4
B. Calculating Length of Service	5
Section 50A2.1-3 Computing Length of Service Periods	7
A. General Rule	7
B. 30-Day Month/360-Day Year	7
C. Adding a Day When Subtracting	7
D. Period of Service Ending on the Last Day of a Month	8
E. Borrowing Years and Months During Subtraction	8
F. Unused Sick Leave	9
G. Intermittent Service	10
H. Seasonal Employment	10

Section 50A2.1-4 High-3 Average Pay	12
A. General	12
B. Definition	12
C. Period Used	12
D. Consecutive Service	13
E. Use of Noncreditable Service	13
F. Excess LWOP	13
G. Unused Sick Leave	13
 Section 50A2.1-5 Basic Pay Rates	 14
A. Definition	14
B. General	14
C. Included in Basic Pay	14
D. Excluded from Basic Pay	14
E. Hourly, Daily, and Similar Rates	14
F. Intermittent Employment Rates	15
G. Piecework Rates	15
H. Multiple Rates	16
I. Salary Supplemented by Workers' Compensation	17

Part 50A3 Computation of the Basic Annuity

Section 50A3.1-1 General Formula for Computing the Basic Annuity	18
A. General Formula	18
B. Part-Time Service Annuity Computations	18
C. Special Computation In Cases With Certain Overseas Service	18
 Section 50A3.1-2 Maximum Annuity	 20
A. General Rule	20
B. When the Annuity Exceeds 80 Percent	20
C. Deductions During Excess Service	20

Section 50A3.1-3 Reductions in Annuity	21
A. Order of Reductions	21
B. Reduction for Retirement Before Age 55	21
C. Unpaid Deposit Service	22
D. Reduction to Provide Survivor Annuity for Current Spouse or Former Spouse . .	22
E. Elimination of the Current Spouse Survivor Reduction	23
F. Amount of Current Spouse Survivor Benefit	23
G. Reduction for Election of Survivor Annuity to Person With an Insurable Interest	24
H. Elimination of the Insurable Interest Reduction	25
I. Amount of Insurable Interest Survivor Benefit	25
J. Reduction for Unpaid Redeposit Covering Service Before October 1990	26
 Section 50A3.1-4 CSRS Offset Employees	 27
A. General Rule	27
B. Exception: Offset at Age 62	27
C. Amount of Offset	27
 Section 50A3.1-5 Additional Annuity -- Voluntary Contributions	 29
A. General	29
B. Amount	29
C. Additional Survivor Annuity	29

Subchapter 50B FERS**Part 50B1 General Information**

Section 50B1.1-1 Overview	31
A. Introduction	31
B. Organization of Subchapter	31
C. Applicable CSRS Provisions	31
D. Statement of Authority	32

Part 50B2 Components of the Basic Annuity

Section 50B2.1-1 Introduction	33
A. General	33
B. Reductions in Annuity	33
C. Employees With a CSRS Component	33
Section 50B2.1-2 Length of Service	35
A. Creditable Service for FERS Computation Purposes	35
B. Employees With a CSRS Component	35
Section 50B2.1-3 High-3 Average Pay	37
A. Applicable CSRS Provisions	37
B. Noncreditable Service	37
C. "Total Service" Average Pay	37

Part 50B3 Computation of the Basic Annuity

Section 50B3.1-1 General Formula for Computing the Basic Annuity 38

A. General Formula 38

B. Employees Who Are Age 62 With 20 Years of Service 38

C. Other Exceptions 39

Section 50B3.1-2 Maximum Annuity 40

A. General Rule 40

B. Transferees With a CSRS Component 40

Section 50B3.1-3 Reductions in Annuity 41

A. Rule 41

B. Reduction Under Early Deferred or MRA + 10 Provisions 41

C. No Age Reduction in Disability and Special Provision Retirement Cases 42

D. Reduction to Provide Survivor Annuity for Current Spouse or Former Spouse . . 42

E. Elimination of Reduction 43

F. Amount of Current Spouse Survivor Benefit 43

G. Reduction for Election of Survivor Annuity to Person With an Insurable
Interest 43

Section 50B3.1-4 Additional Annuity--Voluntary Contributions 44

A. General Rule 44

Part 50B4 Computation With a CSRS Component

Section 50B4.1-1 General 45

A. Eligibility for CSRS Component 45

B. Applicability of CSRS or FERS Rules 45

C. Service Credited in Each Component 45

D. Odd Days Are Dropped 45

Section 50B4.1-2 Computation of Annuity 47

A. High-3 Average Pay 47

B. Basic Annuity Computation 47

Subchapter 50C Job Aids

Section 50C1.1-1 Charts	49
Chart 1. -- 360 Day Factor Chart	50
Chart 2. -- Sick Leave Chart 2087 Hours	51
Chart 3. -- 260 Day Work Year Chart	52
Chart 4. -- CSRS General Formula Computation Chart	53
Chart 5. -- CSRS 2% Age Reduction Chart	54
Chart 6. -- For Computing Basic Annuity -- FERS 1% Accrual Factor	55
Chart 7. -- For Computing Basic Annuity -- FERS 1.1% Accrual Factor	56
Chart 8. -- FERS 5% Age Reduction Chart	57
Chart 9. -- CSRS Present Value Factors	58
Section 50C1.1-2 CSRS Examples	60
Example 1: CSRS or FERS high-3 average pay, with full 3 years of service	60
Example 2: CSRS optional retirement, with survivor annuity	65
Example 3: CSRS optional retirement, with redeposit service	71
Example 4: CSRS early retirement, with reduction for retirement before age 55 and survivor annuity	78
Example 5: CSRS discontinued service, with deposit service prior to October 1, 1982, and reduction for survivor benefits	84
Example 6: CSRS purchase of additional annuity and survivor annuity with voluntary contributions	90
Example 7: CSRS deferred retirement, with survivor benefits based on the full annuity	95
Section 50C1.1-3 FERS Examples	101
Example 1: FERS optional retirement, with survivor annuity	101
Example 2: FERS MRA + 10 optional retirement, with nondeduction service, refunded service, and survivor annuity using one-half as base	107
Example 3: FERS transfer employee, optional retirement, with survivor benefits based on full annuity	113
Example 4: FERS transfer employee, discontinued service retirement, with reduction for age in CSRS component and survivor benefits based on full annuity	122
Example 5: FERS postponed MRA + 10 annuity, with nondeduction service, refunded service, and survivor annuity using one-half as base	132
Example 6: FERS transferee deferred retirement, with survivor benefits based on full annuity	138

Section 50C1.1-4 Computation Worksheets for Local Reproduction	147
High-3 Average Pay Computation	149
Computation of Service Credit	151
CSRS Nondisability Annuity Computation	153
Computation of Reduction for Unpaid Redeposit for Service Ending Before October 1, 1990, CSRS Employees	155
Voluntary Contributions Computation	157
FERS Basic Annuity Computation	161
FERS Transferee Nondisability Annuity Computation	163

**Subchapter 50A CSRS
Part 50A General Information****Section 50A1.1-1 Overview**

A. Introduction

This subchapter contains the rules and procedures that apply to the computation of retired employees' annuities under CSRS. Subchapter 50C contains illustrations of computations using the general formula and job aids to facilitate the computations.

NOTE: The examples in this chapter were computed using OPM's automated system; therefore the answers are exact to the dollar.

CAUTION: Counselors should inform employees that computations made by agencies are unofficial estimates.

B. Topics Covered

1. This subchapter covers:
 - The definition and computation of length of service;
 - The definition and computation of high-3 average pay;
 - An explanation of basic pay rates;
 - The general formula used to compute the basic annuity;
 - The application of the maximum annuity rule;
 - Adjustments to the basic annuity, including those due to early retirement, nondeduction service, refunded service, and elections of survivor benefits; and
 - The purchase of additional annuity using voluntary contributions.

**Computation of Annuity
Under the General Formula
Chapter 50**

B. Topics Covered (Cont.)

2. This subchapter does not cover the computation of retirement benefits for Members of Congress, law enforcement officers, firefighters, air traffic controllers, National Guard technicians, and part-time employees.
- See Chapter 54, Special Computation Formulas for Law Enforcement Officers, Firefighters, and Air Traffic Controllers;
 - See Chapter 55, Computation for Part-Time Employees;
 - See Chapter 53, Alternative Annuity Elections.
-

C. Organization of Subchapter

The CSRS subchapter has three parts.

Part	Name of Part	Page
50A1	General Information	1
50A2	Components of the Basic Annuity	3
50A3	Computation of the Basic Annuity	20

NOTE: Subchapter 50B, about computation of annuity under FERS, begins on page 32.

D. Statement of Authority

This subchapter is based on the laws and regulations cited below.

- United States Code: 5 U.S.C. 8339, 8343, and 8349
 - Code of Federal Regulations: 5 CFR Part 831
-

Part 50A2 Components of the Basic Annuity**Section 50A2.1-1 Introduction**

A. General Rule

CSRS basic annuity benefits are based primarily on:

- The amount of creditable service (section 50A2.1-2); and
- The individual's high-3 average pay (section 50A2.1-4).

NOTE: Under CSRS, the rules for determining what service is creditable can differ depending on the purpose. The creditability rules for purposes of establishing entitlement to an annuity are provided in Chapter 20, Creditable Civilian Service, and Chapters 41 through 46. Civilian service that is creditable for entitlement purposes is also creditable for purposes of determining the high-3 average pay period. However, some service that is creditable for entitlement purposes is not creditable for purposes of determining the length of service used in the annuity computation.

**B. Basic Annuity
Reductions**

The basic annuity may be reduced for:

- Retirement before age 55;
 - Unpaid deposit for nondeduction service performed prior to October 1, 1982;
 - Unpaid redeposit for refunded service performed prior to October 1, 1990;
 - Election of (or court ordered) survivor benefits for a spouse and/or former spouse;
 - Election of a survivor benefit for a person with an insurable interest;
 - Election of the alternative annuity; and
 - An offset amount for offset employees who are eligible for Social Security benefits.
-

**Computation of Annuity
Under the General Formula
Chapter 50**

Section 50A2.1-2 Length of Service

**A. Creditable
Service for
Computation
Purposes**

The following is a summary of the types of service that are creditable in computing the annuity. For more detailed information, see Chapter 20, Creditable Civilian Service, and Chapter 22, Creditable Military Service. (Creditable service for high-3 average pay purposes is described in section 50A2.1-4.)

1. All periods of civilian service during which CSRS retirement deductions (whether full or reduced CSRS Offset) were properly taken and not refunded. If the period of CSRS service was refunded, it will be creditable if a redeposit was made (or deemed made under the alternative annuity provisions).

NOTE: Refunded service that was performed before October 1, 1990, will be credited even if the employee has not paid a redeposit. However, the annuity will be actuarially reduced as described in section 50A3.1-3J.

2. All civilian service during which retirement deductions were not taken (for example, temporary appointments), if performed prior to October 1, 1982.
3. All civilian service during which retirement deductions were not taken performed on or after October 1, 1982, if a deposit for such service has been made (or deemed made under the alternative annuity provisions).
4. Honorable active military service performed prior to January 1, 1957.
5. Honorable active military service performed after December 31, 1956, if:
 - The employee was first employed in a covered position prior to October 1, 1982, and has made the military deposit or is not entitled to Social Security benefits at date of separation for retirement; or

**A. Creditable
Service for
Computation
Purposes (Cont.)**

- The employee was first employed in a covered position after September 30, 1982, and has made the military deposit.

NOTE 1: Deposits for post-1956 military service are NOT deemed made under the alternative annuity provisions.

NOTE 2: Military service may not be creditable if the employee is receiving military retired pay. See Chapter 22, Creditable Military Service, section 22A4.1-1.

6. Unused sick leave under an approved formal leave system.
7. Time in a nonpay status (for example, leave without pay, suspension, furlough, and absence without leave) that does not exceed 6 months in the aggregate in any calendar year.

NOTE: See Chapter 20 for special provisions governing credit for periods of leave without pay when the employee is:

- On military furlough or is separated to enter military service during a period of war or national emergency;
 - Receiving workers' compensation; or
 - Granted leave without pay to serve as a full-time officer or employee of an employee organization.
-

**B. Calculating
Length of Service**

Length of service for annuity computation purposes is based on whole months (30 days). To determine the total length of service for annuity computation purposes, add all creditable civilian and military service and the period represented by the unused sick leave; then eliminate any fractional part of a month. Compute the amount of creditable service in each period in accordance with section 50A2.1-3 below.

**Computation of Annuity
Under the General Formula
Chapter 50**

**B. Calculating
Length of Service
(Cont.)**

EXAMPLE:

	Yr	Mo	Dy
Civilian service 7-9-65 to 8-24-95	30	- 01	- 16
Military service 6-9-62 to 6-18-64	2	- 00	- 10
Unused sick leave (1571 hours) (See sick leave conversion chart provided in section 50C1.1-1)	+ <u>09</u>	- <u>01</u>	
Total	32	- 10	- 27

Length of Service Creditable
for Computation Purposes -- 32 years 10 months
(The 27 days are dropped.)

CAUTION: Accrued and unused sick and/or annual leave may not be
used to meet the service requirements for eligibility to retire.

**Computation of Annuity
Under the General Formula
Chapter 50**

**D. Period of Service
Ending on the
Last Day of a
Month**

Since all months are considered to have 30 days for retirement purposes (see paragraph B of this section), if the ending date of a period of service is the last day of any month, simply use 31 for that day when you compute the length of service.

EXAMPLE: Period of Service = 1-6-72 through 2-28-77

$$\begin{array}{r} 31 \\ 77 - 2 - 28 \\ - 72 - 1 - 6 \\ \hline 5 - 1 - 25 \end{array}$$

**E. Borrowing Years
and Months
During
Subtraction**

Subtracting the beginning date from the ending date:

- When it is necessary to borrow a month, the time borrowed is always 30 days; and
- When it is necessary to borrow a year, the time borrowed is always 12 months.

EXAMPLE 1: Period of Service = 1-12-80 through 9-4-86

$$\begin{array}{r} 35 \\ 8 - 5 \\ 86 - 9 - 4 \\ - 80 - 1 - 12 \\ \hline 6 - 7 - 23 \end{array}$$

EXAMPLE 2: Period of Service = 12-3-74 through 6-9-78

$$\begin{array}{r} 77 - 18 - 10 \\ 78 - 06 - 09 \\ - 74 - 12 - 3 \\ \hline 3 - 6 - 7 \end{array}$$

EXAMPLE 3: Period of Service = 6-21-80 through 4-15-85

$$\begin{array}{r} 15 \ 46 \\ 84 - 3 - 16 \\ 85 - 4 - 15 \\ - 80 - 6 - 21 \\ \hline 4 - 9 - 25 \end{array}$$

F. Unused Sick Leave

1. Unused sick leave is added to the number of years and months of service for annuity computation purposes. To convert hours of unused sick leave into days/months of service, use Chart 2, the 2,087 Sick Leave Chart (2,087 hours = 1 year) provided in section 50C1.1-1.

EXAMPLE: 2,000 hours of unused sick leave = 11 months and 15 days of service.

NOTE: Prior to March 1, 1986, a 2,080-hour basis was used to derive hourly rates of pay from annual rates. This was consistent with a 260-day work year (see paragraph H2 of this section). Effective March 1, 1986, Public Law 99-272 prescribed a 2,087-hour basis (for budgetary purposes) but no change was made in the 260-day work year.

2. The sick leave conversion chart does not list every number between 0 and 2,087--there are gaps. If a figure on the chart does not correspond exactly to the total hours of unused sick leave an employee has to his or her credit at time of retirement, use the next highest number.

EXAMPLE: An employee has 1,500 hours of unused sick leave at retirement. The "1,500 hours" does not appear on the chart; however, "1,496 hours" and "1,501 hours" do appear. Use "1,501 hours" to determine the amount of service to be added in the computation of the annuity.

The 1,501 hours of unused sick leave equals 8 months and 19 days of service.

NOTE 1: Do not use unused sick leave to compute the employee's high-3 average pay or to determine the minimum length of service required for retirement eligibility.

NOTE 2: For a further discussion of the rules regarding the unused sick leave, see Chapter 20.

**Computation of Annuity
Under the General Formula
Chapter 50**

G. Intermittent Service

1. Generally, when an individual is employed on an intermittent basis (non-full-time service) without a prearranged regularly scheduled tour of duty (formerly reported as WAE or "when actually employed"), only the actual days in a pay status are credited.
2. Unless a different work year is shown, 260 days in a pay status constitute 1 year of service of this kind after June 30, 1945; 313 days constituted 1 year before July 1, 1945.
3. Credit for intermittent service is computed by considering the number of days in a pay status in relation to the established work year. (Since July 1, 1962, agencies have been required to record in the OPF the number of days in a pay status during such service. See The Guide to Processing Personnel Actions (formerly FPM Supplement 296-33, Subchapters 24, 30, and 31.) Thus, if the established work year is 260 days, and the employee was in a pay status 130 workdays, he or she is allowed credit for 6 months' service. (When the number of days in a pay status is known, the 260-Day Work Year Chart in section 50C1.1-1 can be used to compute months and days of creditable service.)
4. For an intermittent employee who was paid on an hourly basis, if the number of days actually worked cannot be ascertained, and only the total number of hours worked is known, each 8 hours constitute a day's service. For example, the completion of 1,040 hours in a calendar year accords credit for exactly 130 workdays or 6 months. If a lesser number of hours is prescribed as a workday, the lesser number of hours prescribed constitutes 1 day's service.

NOTE: The workdays credited may not exceed 260 days in a calendar year.

H. Seasonal Employment

1. "Seasonal employment" means recurring periods of work lasting less than 12 months each year. Seasonal employees are placed in nonduty/nonpay status and recalled to active duty to meet workload requirements in accordance with a preestablished agreement that sets the conditions of employment. These employees receive retirement service credit both for periods when they are in a pay status and also time spent in non-pay status that does not exceed 6 months in a calendar year.

**H. Seasonal
Employment
(Cont.)**

2. Prior to October 1, 1980, employees in a seasonal-WAE status could be put in a **non-work** status during the off-season. Since this employment was intermittent (See section 50A2.1-3H), no retirement service credit can be given for these periods of non-work status.
 3. Effective October 1, 1980, agencies were instructed to put all seasonal employees in a **non-pay** status during the off-season. Consequently, any seasonal employee in a non-work status on or after October 1, 1980, is deemed to be in non-pay status.
-

**Computation of Annuity
Under the General Formula
Chapter 50**

Section 50A2.1-4 High-3 Average Pay

A. General

The high-3 average pay is used in computing the employee's annuity.

NOTE: When an employee dies with less than 3 years of service, a "total service average pay" must be used to compute any survivor annuity benefit. See Chapter 70. Also, the average pay used in computing a supplemental annuity based on reemployed annuitant service is the average pay during that service. See Chapter 100, Reemployed Annuitants.

B. Definition

The "high-3 average pay" is the largest annual rate resulting from averaging an employee's rates of basic pay in effect over any period of 3 consecutive years of creditable civilian service, with each rate weighted by the length of time it was in effect.

NOTE: See subchapter 50C, section 50C1.1-2, for an example of a high-3 average pay computation.

C. Period Used

1. The 3-year period in which the average pay is computed starts and ends on the dates that produce the highest average pay. The period need not start on January 1, or the first day of any month, or the date of a pay change.
2. Normally, to find the beginning date of the 3-year period, subtract 3 years from the date of the employee's retirement.

EXAMPLE:

	16
Date of Retirement	89 - 7 - 15
Minus 3 years	- 3 - 0 - 0
Beginning Date	86 - 7 - 16

EXCEPTION 1: If the employee has had higher pay rates during a prior period of service, use that period.

EXCEPTION 2: If the employee has had a break in service during the last 3 years of employment, compute the high-3 average pay period as shown in paragraph D below.

D. Consecutive Service

The 3 years of service used for the high-3 average pay need not be continuous, but they must be consecutive periods of service. Thus, two or more separate periods of employment may be joined, provided there is no intervening service.

EXAMPLE:

<u>Action</u>	<u>Date</u>	<u>Basic Pay Rate</u>
Hired	3-2-80	\$23,456
Pay change	9-3-81	25,000
Pay change	8-4-82	26,778
Resigned	7-3-83	28,990
Rehired	8-5-88	\$32,900
Pay change	1-2-89	34,567
Pay change	1-4-90	35,200
Retired	9-5-90	35,200

NOTE: In computing the high-3 average pay, the periods 8-5-82 to 7-3-83 and 8-5-88 to 9-5-90 equaling 3 years total time, are used.

E. Use of Noncreditable Service

Service that is creditable for entitlement purposes, but not for computation purposes, may be used in determining the high-3 average pay. Examples of such service include nondeduction service on or after October 1, 1982, for which no deposit is made, or service that ended on or after October 1, 1990, for which retirement deductions were refunded and not redeposited.

F. Excess LWOP

If excess LWOP falls within the high-3 average period, subtract the excess LWOP from the high-3 period by backing up the high-3 period equal to the amount of excess LWOP. For example, if the high-3 average pay period contains 8 months of LWOP, use 6 months of the LWOP in the computation of the high-3 average pay and give no credit for the excess 2 months of LWOP. However, back up the high-3 average pay period by 2 months in order to compute an average pay based on 3 full years of service.

G. Unused Sick Leave

Do not use sick leave to compute the employee's high-3 average pay or to meet the minimum length of service required for retirement eligibility.

Section 50A2.1-5 Basic Pay Rates

- A. Definition** The basic pay rate is the rate of pay fixed by applicable law or regulation for a position.
-
- B. General** In computing the high-3 average pay, use the rate of annual basic pay--not the pay actually received by the employee--except as specified below.
-
- C. Included in Basic Pay** For the types of pay included in basic pay for retirement purposes, see Chapter 30, Employee Deductions and Agency Contributions.
- D. Excluded from Basic Pay** For the types of pay excluded from basic pay for retirement purposes, see Chapter 30.
-
- E. Hourly, Daily, and Similar Rates**
1. General rule:

The basic pay rate of an employee serving on a full-time basis who is paid at other than an annual rate is determined by multiplying the basic rate of pay by the number of pay units in a 52-week year.

EXAMPLE 1: An employee's pay rate is \$75 per day and his work year is 260 days. His basic pay rate would be \$19,500 ($\$75 \times 260 = \$19,500$).

EXAMPLE 2: An employee's pay rate is \$6.75 per hour and his work year is 2087 hours. His basic pay rate would be \$14,087.25 ($\$6.75 \times 2087 = \$14,087.25$).

NOTE: For service before March 1, 1986, the work year is 2080 hours.
 2. EXCEPTION: The basic pay rate of an employee who works more than 8 hours a day as authorized by the Work Hours Act of 1962 (Public Law 87-581, approved August 13, 1962) is determined at the base rate for 40 hours, excluding the additional part of the pay for any overtime hours within the 40-hour week.
-

Section 50A2.1-5 Basic Pay Rates (Cont.)**F. Intermittent
Employment
Rates**

1. General rule:

The basic pay of an employee serving on an intermittent (no prearranged regularly scheduled tour of duty) or WAE (when actually employed) basis is determined by multiplying the basic rate of pay received per day/hour by the actual number of days/hours worked at that rate of pay.

2. If intermittent service is credited in the high-3 period, the period must be extended to compensate for non-work time. This is similar to the extension required for excess LWOP (see section 50A2.1-4F).

3. An employee may not receive credit for more than 260 days in a calendar year.

NOTE: If the pay rate per day or hour worked cannot be determined, the basic pay received can be determined using the retirement deductions withheld during the period and the method in paragraph H of this section.

G. Piecework Rates

1. General rule:

The basic annual pay rate for pieceworkers is the total basic earnings for any given year.

2. Exception:

When there are period(s) of creditable leave without pay (LWOP) during the year, determine the basic annual pay rate by:

- Dividing the year's earnings by the number of days (or hours) for which the employee was paid (work and leave with pay) to obtain the average daily rate; and then
 - Multiplying the average daily rate by the total number of work-days (or hours) in the year.
-

Section 50A2.1-5 Basic Pay Rates (Cont.)**H. Multiple Rates**

1. General rule:

The basic annual pay rate of an employee who works at different pay rates (whether on a regular or irregular schedule or on dual or multiple assignments with different rates of pay involved) is the employee's basic pay earnings for each calendar year, plus any additional pay that could have been earned in any period of LWOP not exceeding 6 months in any calendar year.

Basic pay earnings for recent years may be obtained from the employee's payroll office. If it is not possible to obtain this information, basic pay can be determined by computing the amount of basic pay from the retirement deductions.

The following procedure should be observed in determining average pay for all cases involving multiple rates:

- a. Compute the amount of basic pay on the basis of the lowest basic pay rate.
- b. For the corresponding period compute the amount of basic pay actually received, from the retirement deductions. If applicable, increase earnings by basic rate during periods of LWOP.
- c. Compare the results of a and b, above, and use the greater amount in arriving at the average pay.

**H. Multiple Rates
(Cont.)**

2. Computation using deductions:

Multiply the retirement deductions for the period of time by the factor for the applicable withholding rate.

Withholding Rate	Factor
7.50%	13.33
7.00	14.29
1.30	76.92
.94	106.38

EXAMPLE 1: In calendar year 1989, a prevailing rate employee under full CSRS deductions was paid in multiple rates. Retirement deductions at the different rates totalled \$1,315. The employee had no LWOP.

$$\text{Basic Pay for CY 1989} = \$1,315 \times 14.29 = \$18,791.35$$

EXAMPLE 2: In calendar year 1988, a prevailing rate employee under CSRS Offset was paid in multiple rates. The employee was on LWOP for 80 hours at the applicable rate of \$6.04 per hour. Retirement deductions at the different rates totalled \$150.00.

$$\text{Basic Pay for CY 1988} = (\$150 \times 106.38 = \$15,957)$$

Plus

$$(\$6.04 \times 80 \text{ (LWOP)} = \$483.20)$$

Equals

$$\underline{\$16,440.20}$$

**I. Salary
Supplemented by
Workers'
Compensation**

To determine the pay rate for an employee who is receiving a salary supplemented by payments from the Office of Workers' Compensation Programs (OWCP), use only the pay rate of the position. Do not include any payments from OWCP

Part 50A3 Computation of the Basic Annuity**Section 50A3.1-1 General Formula for Computing the Basic Annuity**

- A. General Formula** The basic annuity under the general formula is computed as follows:
- 1.5 percent of the high-3 average pay multiplied by service up to 5 years; plus
 - 1.75 percent of the high-3 average pay multiplied by the number of years of service between 5 and 10; plus
 - 2 percent of the high-3 average pay multiplied by all service over 10 years.

NOTE 1: The formula above has been used to produce the CSRS General Formula Computation Chart, Chart 4, provided in section 50C1.1-1.

NOTE 2: If the average pay is less than \$5,000 per year, substitute 1 percent of average pay plus \$25 for any or all of the percentages in the three steps of the formula above.

NOTE 3: Section 50C1.1-2 of subchapter 50C contains illustrations of annuity computations using the general formula.

- B. Part-Time Service Annuity Computations** A different application of the general formula applies to any CSRS employee whose service includes part-time service performed on or after April 7, 1986. See Chapter 55 for additional information.
-

- C. Special Computation In Cases With Certain Overseas Service** A different application of the general formula applies to any CSRS employee whose service includes service performed abroad for the Central Intelligence Agency (CIA), the Defense Intelligence Agency (DIA), and the National Security Agency (NSA). The special computation is used to compute a CSRS annuity if the individual:
- retired after September 30, 1989, and
 - performed service abroad for the CIA, DIA, or NSA after December 31, 1986. The special computation is allowed according to the dates of qualifying service certified on the SF 50's or agency equivalent or the SF 2806. The service will be certified showing

Section 50A3.1-1 General Formula for Computing the Basic Annuity (Cont.)**C. Special
Computation In
Cases With
Certain Overseas
Service (Cont.)**

remarks (or similar language): "Service from (date) to (date) qualifies under Section 305 or 505 of P. L. 101-193 entitling employee to special annuity computation."

Computation: Each full month of service certified as qualifying for the special computation is substituted in the general formula and computed at the 2% rate **in place of** the 1.5% and 1.75% rates, for up to 10 years of such service.

Example: If an individual retired on January 1, 1999, and 2 years of service are certified as qualifying, compute the first 2 years of service at 2%, the next 3 years at 1.5%, the next 5 years at 1.75%, and the remainder at 2%. If 10 or more years of service are qualifying, compute all of the retiree's service at 2%.

NOTE 1: Entitlement to the special annuity computation for this service continues with the employee, regardless of his or her agency at final separation or the retirement system under which he or she retires.

NOTE 2: When SF 50's or equivalent are not available and employee indicates this type of service, the agency can request copies of SF 2806's from the Retirement Operations Center in Boyers, Pennsylvania.

**Computation of Annuity
Under the General Formula
Chapter 50**

Section 50A3.1-2 Maximum Annuity

A. General Rule

The basic annuity of any employee may not exceed 80 percent of the employee's high-3 average pay (disregarding the amount produced by the unused sick leave credit as illustrated in the example below). Normally, total service of 41 years 11 months (excluding unused sick leave credit) produces the maximum annuity.

EXAMPLE: Tom has a total of 43 years of creditable civilian and military service. In addition, he has 2087 hours (1 year) of unused sick leave. His annuity would be limited to 80 percent based on civilian and military service but the 1 year of sick leave would increase the annuity an additional 2 percent. Thus, Tom's basic annuity would be 82 percent of his high-3 average pay.

B. When the Annuity Exceeds 80 Percent

If the computed basic annuity exceeds 80 percent of the high-3 average pay, it is adjusted to an amount equal to 80 percent of the high-3 average pay. This adjustment is made before applying any of the reductions explained in section 50A3.1-3 and before adding any annuity purchased by voluntary contributions described in section 50A3.1-5.

C. Deductions During Excess Service

Retirement deductions withheld from the first of the month after an employee has performed sufficient service to entitle him or her to the maximum annuity, plus 3 percent interest compounded annually to the date of retirement, are automatically applied toward any > deposit due for civilian nondeduction service, and/or redeposit due for civilian refunded service that ended on or after October 1, 1990. < OPM then refunds any balance with the initial annuity payment. At this time, the retiree is advised by letter of the amount of additional annuity the excess deductions and interest would purchase. If the retiree returns the excess deductions and interest to OPM, this amount is treated as voluntary contributions and the annuity is recomputed accordingly. (See section 50A3.1-5B.)

> Note: Excess deductions are not automatically applied toward a redeposit due for civilian refunded service that ended before October 1, 1990. The actuarial reduction described in section 50A3.1-3 applies to the maximum annuity. However, if the retiree elects to purchase an additional annuity with the excess deductions, the redeposit has to be paid in full . <

Section 50A3.1-3 Reductions in Annuity

A. Order of Reductions

The annuity computed under the general formula described in section 50A3.1-1 is reduced, when applicable. Annuity reductions must be applied in the following order:

1. Age Reduction:

Reduction for retirement before age 55.

2. Deposit Reduction:

Reduction for unpaid deposit(s) for nondeduction service performed prior to October 1, 1982.

3. Survivor Reductions:

- Reduction for survivor annuity, because of a voluntary election, court order, or operation of law; and/or
- Reduction to provide a survivor annuity to a person with an insurable interest.

NOTE: The base used to compute the reduction for both types of survivor benefits is the amount after the age and deposit reduction.

4. Redeposit Reduction:

Reduction for unpaid redeposit covering service that ended before October 1, 1990.

5. Alternative Annuity Reduction:

Reduction because of an alternative annuity election. See Chapter 53 for information about election of an alternative annuity.

B. Reduction for Retirement Before Age 55

The annuity of an employee who retires before age 55 in cases of early optional retirement or discontinued service retirement (see Chapters 43 and 44, respectively) is reduced by one-sixth of 1 percent for each full month (2 percent per year) he or she is under age 55.

**Computation of Annuity
Under the General Formula
Chapter 50**

B. Reduction for Retirement Before Age 55 (Cont.)

NOTE: Section 50C1.1-1, Chart 5, is the CSRS 2 Percent Age Reduction Chart, to facilitate computation of the reduction.

EXAMPLE: See Example 4 in subchapter 50C, section 50C1.1-2, for an example of an annuity computed with a reduction for retirement under age 55.

C. Unpaid Deposit Service

If an employee owes a deposit, including interest, to cover a period of civilian service performed prior to October 1, 1982, for which no retirement deductions were made, the basic annual annuity is reduced by 10 percent of the unpaid deposit amount.

EXAMPLE: Subchapter 50C, section 50C1.1-2 contains an example of an annuity computed with a reduction for unpaid deposit service.

D. Reduction to Provide Survivor Annuity for Current Spouse or Former Spouse

1. The annuity of a retiree who has a current spouse must be fully reduced to provide a survivor annuity, unless the employee and spouse jointly waive a survivor annuity, or elect less than the maximum amount possible. See Chapter 52, Survivor Benefit Elections, for additional information on the procedures for electing survivor benefits at and after retirement.
2. A court may also require the employee to provide survivor benefits for a former spouse. See Chapter 5, Court Orders, for information on court-ordered benefits to a former spouse.
3. The base used in calculating the survivor annuity benefit for a current spouse is the retiree's total annuity (after reduction for age and deposit but before the alternative annuity reduction, or reduction because of an unpaid redeposit covering service that ended before October 1, 1990) unless the retiree and his or her spouse jointly elected a lesser base.
4. The reduction is:
 - 2.5 percent of the amount up to \$3,600 elected as the base for the survivor benefit, plus
 - 10 percent of the amount over \$3,600 elected as the base for the survivor benefit.

D. Reduction to Provide Survivor Annuity for Current Spouse or Former Spouse (Cont.)

EXAMPLE 1: "Full" Survivor Benefits

Annuity	\$14,000
Base Selected	\$14,000
Amount up to \$3,600	$\$3,600 \times .025 = \90
Amount over \$3,600	$\$10,400 \times .10 = \$1,040$
Total Reduction	\$1,130
Reduced Annuity =	$\$14,000 - \$1,130 = \$12,870$

EXAMPLE 2: Less Than Full Survivor Benefit

Annuity	\$14,000
Base Selected	\$ 3,000
Reduction up to \$3,600	$\$3,000 \times .025 = \75
Reduced Annuity =	$\$14,000 - \$75 = \$13,925$

E. Elimination of the Current Spouse Survivor Reduction

The current spouse survivor reduction ends if the marriage ends before the retired employee dies, effective the month following the one in which the marriage ended.

EXCEPTION: The reduction is not eliminated if the retiree is required by court order to continue the survivor benefit for the former spouse. See Chapters 5 and 52 for additional information.

F. Amount of Current Spouse Survivor Benefit

The survivor annuity is 55 percent of the base selected by the retiree, increased by any cost-of-living increases the retiree received prior to the date of death.

Assuming no cost-of-living increases, in paragraph D, example 1, above, the survivor is entitled to an annual annuity of \$7,700 (55% x \$14,000). In example 2, he or she is entitled to an annual annuity of \$1,650 (55% x \$3,000).

**Computation of Annuity
Under the General Formula
Chapter 50**

G. Reduction for Election of Survivor Annuity to Person With an Insurable Interest

1. An employee retiring in good health may elect a reduced annuity to provide a survivor benefit for a person who has an insurable interest in the employee. An insurable interest may exist between the retiree and any other individual who has a reasonable expectation of financial benefit that would terminate upon the death of the retiree. An insurable interest will be presumed between individuals of near relationship, and may be demonstrated in other cases. Disability retirees may not elect an insurable interest survivor annuity. See part 52A3 of Chapter 52 for complete information concerning the eligibility requirements for electing this type of benefit.

NOTE: With the election of an insurable interest, unlike regular survivor benefits, the retiring employee has no choice with respect to the base to be used for the insurable interest election. It is always the full basic annuity that is payable.

2. The base used to compute the reduction for an insurable interest survivor benefit is the basic annuity after reduction for age and deposit (but before any other survivor benefit reduction, alternative annuity reduction, or reduction because of an unpaid redeposit covering service that ended before October 1, 1990). The basic annuity is reduced in accordance with the following schedule.

Age of Person Named in Relation to That of Retiring Employee	Reduction in Annuity of Retiring Employee
	(Percent)
Older, same age, or less than 5 years younger	10
5 but less than 10 years younger	15
10 but less than 15 years younger	20
15 but less than 20 years younger	25
20 but less than 25 years younger	30
25 but less than 30 years younger	35
30 or more years younger	40

G. Reduction for Election of Survivor Annuity to Person With an Insurable Interest (Cont.)

EXAMPLE: Basic Annuity \$12,000

Insurable interest beneficiary 18 years younger.

Reduction = \$12,000 x 25% = \$3,000

H. Elimination of the Insurable Interest Reduction

1. The insurable interest reduction ends if the person named as survivor with insurable interest predeceases the annuitant. The change is effective the month following the death of the insurable interest. The reduction also ends if a retiree marries and elects a survivor benefit for the spouse, if the spouse is the same person for whom the insurable interest designation was made. If the retiree marries someone other than the insurable interest designee, and elects a survivor annuity for the new spouse, the retiree may, at the same time, elect to cancel the insurable interest election.
2. In the case of a married retiree who elected an insurable interest survivor benefit for the current spouse and also provided a survivor benefit for a former spouse, if the former spouse remarries prior to age 55, loses eligibility under a court order, or dies, the retiree may elect to change the insurable interest election to a regular spousal survivor election.

I. Amount of Insurable Interest Survivor Benefit

The insurable interest survivor benefit is 55 percent of the employee's reduced annuity, increased by any cost-of-living increases the retiree received prior to the date of death. While the base used in computing a spousal survivor annuity is the employee annuity after reduction for age and deposit, in the case of an insurable interest, the reduced annuity is the annuity after reductions for age, deposit, **and** election of the insurable interest survivor annuity (but before any reduction for a regular survivor benefit, an alternative annuity, or an outstanding redeposit for a refund of deductions based on service that ended before October 1, 1990).

EXAMPLE: Using the example in paragraph G above, the reduced annuity would be \$9,000 (\$12,000 - \$3,000). The amount of the insurable interest survivor benefit is computed as follows.

$$\underline{\$9,000 \times 55\% = \$4,950}$$

**Computation of Annuity
Under the General Formula
Chapter 50**

**J. Reduction for
Unpaid Redeposit
Covering Service
Before October
1990**

1. An employee who elects not to redeposit a refund of CSRS retirement deductions for service that ended before October 1, 1990, will receive credit for that service in the computation of the annuity. However, the amount of the monthly annuity will be actuarially reduced. The option to pay the redeposit is provided at retirement.
 2. The monthly reduction is the amount that would result if an Alternative Form of Annuity (AFA) lump sum in the amount of the redeposit had been paid, using the same actuarial factors--also called present value factors (PVF)--used to determine AFA reductions. The method of computation and the table of factors can be found in Chapter 53, section 53C1.1-1. For convenience, we have also included the table of present value factors in section 50C1.1-1 (Chart 9).
 3. This reduction applies only to employees who retire under the nondisability provisions of CSRS and whose annuity commences on or after December 2, 1990.
-

Section 50A3.1-4 CSRS Offset Employees

A. General Rule The annuities for CSRS Offset employees are computed in the same manner as if they were covered under CSRS only.

**B. Exception:
Offset at Age 62** The nondisability annuity payment is reduced (offset) when the employee becomes eligible for Social Security. The offset is applied when the basic requirements for Social Security are met (usually at age 62) even if the employee does not apply for Social Security.

If the employee is not entitled to Social Security at age 62, there is no offset until or unless he or she later becomes entitled to Social Security.

NOTE: For information about disability annuity payments, see Chapter 60.

C. Amount of Offset The amount of the offset is the **lesser of**:

1. The amount of the Social Security benefit attributable to the employee's service after December 31, 1983, covered under the interim CSRS provisions or the CSRS Offset provisions; or
2. The amount obtained by multiplying the following fraction by the Social Security benefit to which the individual is entitled (or would be entitled upon proper application) at the time the individual's CSRS annuity begins:

$$\frac{\text{Total Years of Offset Service}}{40}$$

NOTE: Partial years of offset service are rounded to the nearest whole number, with one half being rounded to the next higher number.

EXAMPLE: An employee retires at age 55 with 6 years of Offset service included in the 30 years of service upon which the retirement is based. At age 62 the individual becomes eligible for Social Security benefits in the amount of \$500 per month. The reduction is the lesser of:

1. The \$100 that the Social Security Administration computes is attributable to the Offset Service; or

**Computation of Annuity
Under the General Formula
Chapter 50**

C. Amount of Offset (Cont.)	2.	<u>6 years of Offset Service</u> 40	x \$500 = \$75
--	----	--	----------------

Thus, in this example, the CSRS annuity would be offset by \$75 per month beginning at age 62.

NOTE: Spousal survivor annuities, and the reduction therefor, are based upon the annuity prior to application of the offset. (However, spousal survivor annuities themselves are subject to their own offset based upon the Social Security survivor benefits attributable to the CSRS Offset Service. The spousal survivor offset applies at all times when the survivor is eligible for both CSRS survivor benefits and Social Security survivor benefits.)

Section 50A3.1-5 Additional Annuity -- Voluntary Contributions

A. General

An employee who has made voluntary contributions while employed may, at time of retirement, use those contributions to purchase additional annuity. Excess deductions (see section 50A3.1-2) may also be used to purchase additional annuity at the time of retirement.

NOTE: Chapter 31, Voluntary Contributions, contains detailed information regarding voluntary contributions.

B. Amount

The employee is entitled to an additional annuity of \$7 a year for each \$100 in his or her voluntary contribution account, plus 20 cents for each full year he or she is over age 55 at time of retirement.

EXAMPLE: See subchapter 50C, section 50C1.1-2 for an example of an employee who retires and elects additional annuity provided by voluntary contributions.

NOTE: Additional annuities are not increased by COLA's.

**C. Additional
Survivor Annuity**

1. At retirement, the retiree may elect a reduction in his or her additional annuity to purchase an additional survivor annuity for any designated person. (There need not be a family relationship or an insurable interest.) Compute the reduction by multiplying the unreduced additional annuity by the following percentages:

- 10 percent if the survivor is the same age, older than, or less than 5 years younger than the applicant;
- 15 percent if the survivor is 5 but less than 10 years younger;
- 20 percent if the survivor is 10 but less than 15 years younger;
- 25 percent if the survivor is 15 but less than 20 years younger;
- 30 percent if the survivor is 20 but less than 25 years younger;

**Computation of Annuity
Under the General Formula
Chapter 50**

**C. Additional
Survivor Annuity
(Cont.)**

- 35 percent if the survivor is 25 but less than 30 years younger;
 - 40 percent if the survivor is 30 or more years younger than the applicant.
2. The survivor benefit is 50 percent of the retiree's reduced additional annuity.

NOTE: See section 31A3.1-1, paragraph C of Chapter 31 for additional information.

Subchapter 50B FERS

Part 50B1 General Information

Section 50B1.1-1 Overview

A. Introduction

Subchapter 50B contains the rules and procedures that apply to the computation of a basic annuity under the Federal Employees Retirement System (FERS).

This subchapter explains how FERS differs from CSRS. It refers readers to the CSRS rule that applies, or gives the FERS rule if it is different.

Subchapter 50C, section 50C1.1-3, contains illustrations of computations using the general formula.

This subchapter does not cover the computation of the FERS annuity supplement or the alternative annuity. See Chapters 51 and 53, respectively.

B. Organization of Subchapter

The FERS subchapter has four parts.

Part	Name of Part	Page
50B1	General Information	32
50B2	Components of the Basic Annuity	34
50B3	Computation of the Basic Annuity	39
50B4	Computation With a CSRS Component	46

C. Applicable CSRS Provisions

The following sections of subchapter 50A apply under FERS.

- Section 50A2.1-3: Computing Length of Service Periods
 - Section 50A2.1-5: Basic Pay Rate
 - Section 50A3.1-3: Reduction for Election of Survivor Annuity to Person with an Insurable Interest
-

**Computation of Annuity
Under the General Formula
Chapter 50**

FERS

**D. Statement of
Authority**

This subchapter is based on the laws and regulations cited below.

- United States Code: 5 U.S.C. 8415 through 8420
 - Code of Federal Regulations: 5 CFR 842, Subparts D and F
-

Part 50B2 Components of the Basic Annuity

Section 50B2.1-1 Introduction

A. General

FERS basic annuity benefits are based primarily on:

1. The amount of the employee's creditable service (see section 50B2.1-2); and
2. The individual's high-3 average pay (see section 50B2.1-3).

NOTE: Under FERS, the rules for determining what service is creditable are the same for the purposes of establishing entitlement, determining the length of service used in the annuity computation, and determining the high-3 average pay period.

B. Reductions in Annuity

An annuity computed based on the length of service and high-3 average pay may be reduced for any or all of the following:

- Age reduction for retirement under MRA + 10 or early deferred retirement provisions (see Chapters 42 and 45, respectively);
 - Election of (or court-ordered) survivor benefits for a spouse and/or former spouse;
 - Election of a survivor benefit to a person with an insurable interest; and
 - Election of the alternative annuity.
-

C. Employees With a CSRS Component

Employees who elect to transfer from CSRS coverage to FERS coverage after completing 5 or more years of creditable civilian service as of the effective date of the transfer (excluding service covered by both CSRS and Social Security deductions) will have a CSRS annuity component in their FERS benefit.

**Computation of Annuity
Under the General Formula
Chapter 50**

FERS

**C. Employees With
a CSRS
Component
(Cont.)**

The CSRS rules in subchapter 50A for creditability of service, calculation of length of service, average pay, basic unreduced annuity, reduction for unpaid CSRS deposit(s) and additional annuity apply to the CSRS component of a FERS benefit.

See Part 50B4 below for a discussion of computations involving a CSRS annuity component.

Section 50B2.1-2 Length of Service

**A. Creditable
Service for FERS
Computation
Purposes**

Creditable service for FERS computation purposes includes:

- Service for which full FERS deductions were made and not refunded;
- Nondeduction service (for example, temporary or intermittent service) performed prior to January 1, 1989, if a deposit for such service is made (or deemed made under the alternative annuity provisions);
- Service for which Social Security taxes and full or reduced CSRS deductions were taken (if all CSRS deductions were not refunded);

EXCEPTION: If the CSRS deductions were refunded based on an application filed before the employee became covered under FERS, such service is creditable if a redeposit is made.

- Creditable periods of military service performed prior to January 1, 1957; and
- Creditable periods of military service performed after December 31, 1956, if a deposit for such service is made prior to retirement.

NOTE: Except as noted in paragraph B below, unused sick leave is not creditable in the computation of a FERS basic annuity.

**B. Employees With
a CSRS
Component**

In determining creditable service for a CSRS annuity component, the rules in section 50A2.1-2 apply with the following exceptions and additional rules that apply.

1. The amount of sick leave creditable is the **lesser** of:
 - The employee's sick leave balance as of date of transfer to FERS;
or

**Computation of Annuity
Under the General Formula
Chapter 50**

**B. Employees With
a CSRS
Component
(Cont.)**

- The employee's sick leave balance as of date of retirement.

EXAMPLE: Sick leave balance as of:

Date of Transfer = 1350 hours

Date of Retirement = 860 hours

The 860 hours of sick leave is credited in the CSRS portion of the annuity computation.

2. Service performed on and after the effective date of the transfer is subject to FERS rules and is not included in the CSRS annuity component.
 3. Service prior to FERS coverage subject to both CSRS and Social Security deductions is treated under FERS rules and is **not** included in a CSRS annuity component.
-

Section 50B2.1-3 High-3 Average Pay

- A. Applicable CSRS Provisions** The provisions in CSRS section 50A2.1-4 apply under FERS, except as noted below.
-
- B. Noncreditable Service** Service that is not creditable toward length of service for computing an annuity under FERS is also not creditable for the purpose of computing the high-3 average pay. Service that is creditable for average pay purposes under CSRS, but not under FERS includes:
- Refunded service; and
 - Nondeduction service for which no deposit is made. (Deposit cannot be made for nondeduction service performed after December 31, 1988.)
- NOTE: See Chapter 55 for computation of high-3 average pay involving part-time service.
- EXCEPTION: Special rules apply to the high-3 average pay determination for transferees with a CSRS annuity component (see section 50B4.1-2, paragraph A).
-
- C. "Total Service" Average Pay** In addition to the circumstances noted in the CSRS section where a total service average pay must be used, in FERS a total service average pay must be used to compute a disability annuity when the disability retiree has less than 3 years of creditable service. (See Chapter 61.)
-

Part 50B3 Computation of the Basic Annuity**Section 50B3.1-1 General Formula for Computing the Basic Annuity**

- A. General Formula** Except as explained in paragraph B, The FERS basic annuity computation formula is:

1 percent of the high-3 average pay

x

The total years and months of creditable service under FERS.

NOTE 1: A retiree annuity supplement may be payable in addition to the basic annuity. Employees who are age 62 or older at retirement, however, are not eligible for a retiree annuity supplement. See Chapter 51, Retiree Annuity Supplement, for further details.

NOTE 2: See Chart 6, the FERS 1% Accrual Factor Chart provided in section 50C1.1-1, to facilitate the basic annuity computation.

- B. Employees Who Are Age 62 With 20 Years of Service** Use the basic annuity computation shown below for employees who are at least age 62 at date of separation and have at least 20 years of total creditable service (including CSRS service if the FERS annuity includes a CSRS component):

1.1 percent of the high-3 average pay

x

The total years and months of creditable service under FERS.

NOTE 1: The 1.1 percent formula does not apply to individuals who are retiring under the special provisions for Members of Congress, Congressional employees, military reserve technicians, law enforcement officers, firefighters, or air traffic controllers. (See Chapters 46, 54, and 101.)

NOTE 2: Employees who are age 62 at retirement are not eligible for a retiree annuity supplement. See Chapter 51.

**Computation of Annuity
Under the General Formula
Chapter 50**

**B. Employees Who
Are Age 62 With
20 Years of
Service (Cont.)**

NOTE 3: See Chart 7 in section 50C1.1-1 for the FERS 1.1% Accrual Factor Chart to help in the basic annuity computation.

NOTE 4: Subchapter 50C, section 50C1.1-3 contains examples of annuity computations using the general formula and the exception that applies to employees who are age 62 with at least 20 years of creditable service.

C. Other Exceptions

1. A different application of the general formula applies to any employee whose service includes some part-time service. See Chapter 55 for additional information.
 2. A special computation formula applies to the benefits of eligible law enforcement officers, firefighters, air traffic controllers, and Members of Congress and Congressional employees. See Chapters 54 and 101 for additional information.
-

Section 50B3.1-2 Maximum Annuity

- A. General Rule** There is no maximum annuity under FERS.
- B. Transferees With
a CSRS
Component** The provisions of section 50A3.1-2 apply to the computation of the CSRS annuity component of a FERS Basic Annuity.
-

Section 50B3.1-3 Reductions in Annuity

A. Rule

An annuity computed under the general formula (or any of the exceptions) described in section 50B3.1-1 may be reduced. The reductions, when applicable, are applied in the following order.

1. Age Reduction:

Reduction for age when retiring under early deferred retirement or MRA + 10 provisions.

2. Survivor Reduction:

- Reduction to provide a survivor annuity to a spouse and/or former spouse(s); and/or
- Reduction to provide a survivor annuity to a person with an insurable interest.

3. Alternative Annuity Reduction:

Reduction because of an alternative annuity election. See Chapter 53 for information about election of an alternative annuity.

**B. Reduction Under
Early Deferred or
MRA + 10
Provisions**

1. The annuity of an employee who retires under early deferred or MRA + 10 provisions is reduced by five-twelfths of 1 percent for each full month (5 percent a year) the employee is under age 62 at the commencing date of the annuity.
2. An early deferred or MRA + 10 annuity is not reduced if the employee completed at least 20 years of service and postpones the commencing date until he or she reaches age 60.
3. An early deferred annuity is not reduced if the employee completed at least 30 years of service.

NOTE: Chart 8 in section 50C1.1-1 provides the FERS 5 percent age reduction factor to facilitate computation of the reduction.

**Computation of Annuity
Under the General Formula
Chapter 50**

**C. No Age
Reduction in
Disability and
Special Provision
Retirement Cases**

There is no reduction for age for an employee who retires for disability or on an immediate annuity under a provision that permits retirement at an age earlier than the MRA. See the following Chapters of this Handbook for additional information:

- Chapter 43, Early Voluntary Retirement;
 - Chapter 44, Discontinued Service Retirement;
 - Chapter 46, Special Retirement Provisions for Law Enforcement Officers, Firefighters, Air Traffic Controllers, and National Guard Technicians; and
 - Chapter 101, Special Retirement Provisions for Senior Officials.
-

**D. Reduction to
Provide Survivor
Annuity for
Current Spouse
or Former Spouse**

1. The annuity of a married employee is reduced unless the employee and spouse both waive entitlement to survivor benefits for the spouse. See Chapter 52 for additional information on the procedures for electing survivor benefits at retirement.
2. The employee also may be required by court order to provide survivor benefits for a former spouse. See Chapter 5 for additional information on court-ordered benefits.
3. For transferees with a CSRS annuity component, the FERS reduction for survivor benefits applies to the combined CSRS and FERS annuity.
4. The employee may use all, or one-half, of his or her annuity as the base for the survivor benefit.

NOTE: In calculating the base for the survivor benefit, use the annuity after it has been reduced for age, but before any alternative annuity reduction.

5. The reduction is 10 percent of the base selected.

EXAMPLE: For a retiree with a \$9,000 annual annuity, the annual reduction for full survivor benefits would be \$900, (10% x \$9,000) and for half survivor benefits it would be \$450 (\$9,000 x 50% x 10%).

**Computation of Annuity
Under the General Formula
Chapter 50**

- | | |
|---|--|
| E. Elimination of Reduction | <p>The reduction ends if the marriage terminates before the retired employee dies, effective the first of the month following the one in which the marriage ended.</p> <p>EXCEPTION: The reduction is not eliminated if the retiree is required by court order to provide a survivor benefit for the former spouse. See Chapters 5 and 52 for additional information.</p> <hr/> |
| F. Amount of Current Spouse Survivor Benefit | <p>The survivor annuity is 50 percent of the base selected by the retiree, increased by any cost-of-living increases the retiree received prior to the date of death.</p> <hr/> |
| G. Reduction for Election of Survivor Annuity to Person With an Insurable Interest | <p>The provisions of section 50A3.1-3G, H, and I apply under FERS. Unless the employee is eligible for a computation that includes a CSRS component (see Part 50B4), ignore references in section 50A3.1-3G2 to reductions for unpaid deposits, and for unpaid redeposits covering service that ended before October 1, 1990, since no such reductions exist under FERS.</p> <hr/> |

Section 50B3.1-4 Additional Annuity--Voluntary Contributions

A. General Rule

While FERS employees may not make voluntary contributions, an employee who has made voluntary contributions while employed under CSRS may, at the time of retirement, use those contributions to purchase additional annuity. In this case, the provisions of CSRS section 50A3.1-5 are applicable.

Part 50B4 Computation With a CSRS Component

Section 50B4.1-1 General

- A. Eligibility for CSRS Component** Employees who elect to transfer to FERS may be eligible for a retirement computation with a CSRS component. An employee has a CSRS annuity component if he or she meets the 5-year rule for determining eligibility for a CSRS annuity component. See Chapters 10, 11, and 12 of this Handbook for a complete explanation of coverage determinations.
-
- B. Applicability of CSRS or FERS Rules** When there is a CSRS component, the service included in the component is subject to CSRS computation rules. FERS service is credited in the FERS component and is subject to FERS computation rules. Any CSRS age reduction applies to the CSRS component. All FERS reductions for survivor benefits and age apply to the combined CSRS and FERS components. CSRS alternative annuity reduction factors apply to the CSRS component of an annuity; FERS factors apply to the FERS portion.
-
- C. Service Credited in Each Component** To determine whether a given type of service should be included in the CSRS or the FERS component, see Chapters 10, 11, and 12 of this Handbook for a complete explanation of coverage determinations.
-
- D. Odd Days Are Dropped** In computing the total creditable service for each component, drop the fractional part of a month (if any) in the aggregate service.

EXAMPLE: An employee has two periods of service in the CSRS component, one of 5 years, 6 months, and 20 days and the other of 7 years, 3 months, and 15 days. In addition, the employee is entitled to credit for 3 months and 7 days of unused sick leave. This employee's CSRS component consists of 13 years and 1 month of service. The 12 odd days are dropped completely. They cannot be added to the FERS portion.

CSRS Component:

5 yrs - 6 mos - 20 days
7 yrs - 3 mos - 15 days
<u>3 mos - 7 days</u>
12 yrs - 12 mos - 42 days
13 yrs - 1 mo - 12 days

**Computation of Annuity
Under the General Formula
Chapter 50**

FERS**D. Odd Days Are
Dropped (Cont.)**

FERS Component:

$$\begin{array}{r}
 2 \text{ yrs} - 1 \text{ mo} - 13 \text{ days} \\
 + 3 \text{ yrs} - 9 \text{ mos} - 10 \text{ days} \\
 \hline
 5 \text{ yrs} - 10 \text{ mos} - 23 \text{ days}
 \end{array}$$

Total Service for Computation Purposes:

$$\begin{array}{r}
 \text{CSRS} \quad 13 \text{ yrs} - 1 \text{ mo} \\
 \text{FERS} \quad + 5 \text{ yrs} - 10 \text{ mos} \\
 \hline
 18 \text{ yrs} - 11 \text{ mos}
 \end{array}$$

Section 50B4.1-2 Computation of Annuity

A. High-3 Average Pay

The high-3 average pay for both the FERS and CSRS components of the annuity is the average for the highest 3 consecutive years of service, regardless of whether the service is subject to FERS or CSRS rules. Consequently, the high-3 average pay used to compute the CSRS component may cover a period that is partially or wholly subject to FERS.

See sections 50A2.1-4 and 50B2.1-3 for instructions on how to compute an employee's high-3 average pay.

NOTE: See Chapter 55, subchapter 55B, for information regarding the calculation of a high-3 average pay for part-time employees who have a CSRS component.

B. Basic Annuity Computation

The following outlines the steps to be taken to compute a FERS basic annuity with a CSRS component:

1. Compute the employee's high-3 average pay. (See sections 50A2.1-4 and 50B2.1-3.)
2. Compute the CSRS component under the general formula provisions described in section 50A3.1-1. Use only CSRS creditable service. (For a complete explanation of coverage determinations, see Chapters 10, 11, and 12 of this Handbook.) The 80 percent limit applies (see sections 50B3.1-2B and 50A3.1-2).
3. If applicable, reduce the amount of the CSRS component for each of the following (and in the order shown).
 - Retirement before age 55. (See section 50A3.1-3, paragraph B.)
 - Unpaid deposit(s) for nondeduction service performed prior to October 1, 1982. (See section 50A3.1-3, paragraph C.)
4. Compute the FERS component under the general formula provisions described in section 50B3.1-1. Use all creditable FERS service. See Chapters 10, 11, and 12 for a complete explanation of coverage determinations.

NOTE: If the FERS service totals less than 30 days, the value of the FERS component is \$0. If the FERS service is 30 days or more, the monthly FERS component must be at least \$1.

**Computation of Annuity
Under the General Formula
Chapter 50**

**B. Basic Annuity
Computation
(Cont.)**

5. Compute the basic annuity by adding the CSRS component to the FERS benefit.
6. If applicable, reduce the basic annuity for each of the following (and in the order shown).
 - Retirement under MRA + 10 or early deferred retirement provisions. (See section 50B3.1-3, paragraph B.)

NOTE: This reduction applies to the combined CSRS and FERS benefit.

- Election of survivor annuity benefits. (See section 50B3.1-4.)
 - Election of survivor annuity to a person with an insurable interest. (See section 50B3.1-4, paragraph D.)
7. Determine the monthly amount by dividing the net basic annuity annual amount by 12. Round the monthly amount to the next lower dollar. (See computation examples in section 50C1.1-3 for an illustration of the rounding procedure.)

NOTE: When a FERS transferee with a CSRS component elects the Alternative Form of Annuity (AFA), a special computational procedure is required to determine the correct reduction. This procedure is described in detail in Chapter 53. (See section 53B2.1-1 and the example in section 53C2.1-3.) The procedure described in those sections applies also to the reduction required for an unpaid redeposit of refunded service that ended before October 1, 1990.

Subchapter 50C Job Aids

Section 50C1.1-1 Charts

This section contains the following charts:

- Chart 1. 360-Day Factor Chart
- Chart 2. Sick Leave Chart 2087 Hours
- Chart 3. 260 Day Work Year Chart
- Chart 4. CSRS General Formula Computation Chart
- Chart 5. CSRS 2% Age Reduction Chart
- Chart 6. For Computing Basic Annuity -- FERS 1% Accrual Factor
- Chart 7. For Computing Basic Annuity -- FERS 1.1% Accrual Factor
- Chart 8. FERS 5% Age Reduction Chart
- Chart 9. CSRS Present Value Factors

Section 50C1.1-1 Charts

Chart 1. -- 360 DAY FACTOR CHART

For Computing Total Amount for Any Period of Time at a Given Annual Rate. To Complete Factor, Place Number of Full Years Ahead of Decimal Point.

Number of Days	1 Day	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
0	---	0.083333	0.166667	0.250000	0.333333	0.416667	0.500000	0.583333	0.666667	0.750000	0.833333	0.916667
1	0.002778	0.086111	0.169444	0.252778	0.336111	0.419444	0.502778	0.586111	0.669444	0.752778	0.836111	0.919444
2	0.005556	0.088889	0.172222	0.255556	0.338889	0.422222	0.505556	0.588889	0.672222	0.755556	0.838889	0.922222
3	0.008333	0.091667	0.175000	0.258333	0.341667	0.425000	0.508333	0.591667	0.675000	0.758333	0.841667	0.925000
4	0.011111	0.094444	0.177778	0.261111	0.344444	0.427778	0.511111	0.594444	0.677778	0.761111	0.844444	0.927778
5	0.013889	0.097222	0.180556	0.263889	0.347222	0.430556	0.513889	0.597222	0.680556	0.763889	0.847222	0.930556
6	0.016667	0.100000	0.183333	0.266667	0.350000	0.433333	0.516667	0.600000	0.683333	0.766667	0.850000	0.933333
7	0.019444	0.102778	0.186111	0.269444	0.352778	0.436111	0.519444	0.602778	0.686111	0.769444	0.852778	0.936111
8	0.022222	0.105556	0.188889	0.272222	0.355556	0.438889	0.522222	0.605556	0.688889	0.772222	0.855556	0.938889
9	0.025000	0.108333	0.191667	0.275000	0.358333	0.441667	0.525000	0.608333	0.691667	0.775000	0.858333	0.941667
10	0.027778	0.111111	0.194444	0.277778	0.361111	0.444444	0.527778	0.611111	0.694444	0.777778	0.861111	0.944444
11	0.030556	0.113889	0.197222	0.280556	0.363889	0.447222	0.530556	0.613889	0.697222	0.780556	0.863889	0.947222
12	0.033333	0.116667	0.200000	0.283333	0.366667	0.450000	0.533333	0.616667	0.700000	0.783333	0.866667	0.950000
13	0.036111	0.119444	0.202778	0.286111	0.369444	0.452778	0.536111	0.619444	0.702778	0.786111	0.869444	0.952778
14	0.038889	0.122222	0.205556	0.288889	0.372222	0.455556	0.538889	0.622222	0.705556	0.788889	0.872222	0.955556
15	0.041667	0.125000	0.208333	0.291667	0.375000	0.458333	0.541667	0.625000	0.708333	0.791667	0.875000	0.958333
16	0.044444	0.127778	0.211111	0.294444	0.377778	0.461111	0.544444	0.627778	0.711111	0.794444	0.877778	0.961111
17	0.047222	0.130556	0.213889	0.297222	0.380556	0.463889	0.547222	0.630556	0.713889	0.797222	0.880556	0.963889
18	0.050000	0.133333	0.216667	0.300000	0.383333	0.466667	0.550000	0.633333	0.716667	0.800000	0.883333	0.966667
19	0.052778	0.136111	0.219444	0.302778	0.386111	0.469444	0.552778	0.636111	0.719444	0.802778	0.886111	0.969444
20	0.055556	0.138889	0.222222	0.305556	0.388889	0.472222	0.555556	0.638889	0.722222	0.805556	0.888889	0.972222
21	0.058333	0.141667	0.225000	0.308333	0.391667	0.475000	0.558333	0.641667	0.725000	0.808333	0.891667	0.975000
22	0.061111	0.144444	0.227778	0.311111	0.394444	0.477778	0.561111	0.644444	0.727778	0.811111	0.894444	0.977778
23	0.063889	0.147222	0.230556	0.313889	0.397222	0.480556	0.563889	0.647222	0.730556	0.813889	0.897222	0.980556
24	0.066667	0.150000	0.233333	0.316667	0.400000	0.483333	0.566667	0.650000	0.733333	0.816667	0.900000	0.983333
25	0.069444	0.152778	0.236111	0.319444	0.402778	0.486111	0.569444	0.652778	0.736111	0.819444	0.902778	0.986111
26	0.072222	0.155556	0.238889	0.322222	0.405556	0.488889	0.572222	0.655556	0.738889	0.822222	0.905556	0.988889
27	0.075000	0.158333	0.241667	0.325000	0.408333	0.491667	0.575000	0.658333	0.741667	0.825000	0.908333	0.991667
28	0.077778	0.161111	0.244444	0.327778	0.411111	0.494444	0.577778	0.661111	0.744444	0.827778	0.911111	0.994444
29	0.080556	0.163889	0.247222	0.330556	0.413889	0.497222	0.580556	0.663889	0.747222	0.830556	0.913889	0.997222

Section 50C1.1-1 Charts

Chart 2. -- Sick Leave Chart 2087 Hours

Chart for Converting Hours of Unused Sick Leave to Months and Days (See section 50A2.1-3G).

DAYS	1 Day	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
0	0	174	348	522	696	870	1044	1217	1391	1565	1739	1913
1	6	180	354	528	701	875	1049	1223	1397	1571	1745	1919
2	12	186	359	533	707	881	1055	1229	1403	1577	1751	1925
3	17	191	365	539	713	887	1061	1235	1409	1583	1757	1930
4	23	197	371	545	719	893	1067	1241	1415	1588	1762	1936
5	29	203	377	551	725	899	1072	1246	1420	1594	1768	1942
6	35	209	383	557	730	904	1078	1252	1426	1600	1774	1948
7	41	214	388	562	736	910	1084	1258	1432	1606	1780	1954
8	46	220	394	568	742	916	1090	1264	1438	1612	1786	1959
9	52	226	400	574	748	922	1096	1270	1444	1617	1791	1965
10	58	232	406	580	754	928	1101	1275	1449	1623	1797	1971
11	64	238	412	586	759	933	1107	1281	1455	1629	1803	1977
12	70	243	417	591	765	939	1113	1287	1461	1635	1809	1983
13	75	249	423	597	771	945	1119	1293	1467	1641	1815	1988
14	81	255	429	603	777	951	1125	1299	1472	1646	1820	1994
15	87	261	435	609	783	957	1130	1304	1478	1652	1826	2000
16	93	267	441	615	788	962	1136	1310	1484	1658	1832	2006
17	99	272	446	620	794	968	1142	1316	1490	1664	1838	2012
18	104	278	452	626	800	974	1148	1322	1496	1670	1844	2017
19	110	284	458	632	806	980	1154	1328	1501	1675	1849	2023
20	116	290	464	638	812	986	1159	1333	1507	1681	1855	2029
21	122	296	470	643	817	991	1165	1339	1513	1687	1861	2035
22	128	301	475	649	823	997	1171	1345	1519	1693	1867	2041
23	133	307	481	655	829	1003	1177	1351	1525	1699	1873	2046
24	139	313	487	661	835	1009	1183	1357	1530	1704	1878	2052
25	146	319	493	667	841	1015	1188	1362	1536	1710	1884	2058
26	151	325	499	672	846	1020	1194	1368	1542	1716	1890	2064
27	157	330	504	678	852	1026	1200	1374	1548	1722	1896	2070
28	162	336	510	684	858	1032	1206	1380	1554	1728	1901	2075
29	168	342	516	690	864	1038	1212	1386	1559	1733	1907	2081

**Computation of Annuity
Under the General Formula
Chapter 50**

Section 50C1.1-1 Charts**Chart 3. -- 260 Day Work Year Chart**

(Days worked (when-actually employed) shown in columns b through m are expressed in terms of credit time by the corresponding months in the heading and the days in column a)

a	b	c	d	e	f	g	h	i	j	k	l	m
Days	Under 1 month	1 month	2 months	3 months	4 months	5 months	6 months	7 months	8 months	9 months	10 months	11 months
0			43	65		108	130		173	195		238
1		22	44		87	109		152	174		217	239
2	1	23		66	88		131	153		196	218	
3	2	24	45	67	89	110	132	154	175	197	219	240
4	3		46	68		111	133		176	198		241
5		25	47		90	112		155	177		220	242
6	4	26		69	91		134	156		199	221	
7	5		48	70		113	135		178	200		243
8		27	49		92	114		157	179		222	244
9	6	28	50	71	93	115	136	158	180	201	223	245
10	7	29		72	94		137	159		202	224	
11	8		51	73		116	138		181	203		246
12		30	52		95	117		160	182		225	247
13	9	31		74	96		139	161		204	226	
14	10	32	53	75		118	140		183	205		248
15	11		54	76	97	119	141	162	184	206	227	249
16		33	55		98	120		163	185		228	250
17	12	34		77	99		142	164		207	229	
18	13		56	78		121	143		186	208		251
19		35	57		100	122		165	187		230	252
20	14	36		79	101		144	166		209	231	
21	15	37	58	80	102	123	145	167	188	210	232	253
22	16		59	81		124	146		189	211		254
23		38	60		103	125		168	190		233	255
24	17	39	61	82	104		147	169		212	234	
25	18			83		126	148		191	213		256
26		40	62		105	127		170	192		235	257
27	19	41	63	84	106	128	149	171	193	214	236	258
28	20	42		85	107		150	172		215	237	

29	21		64	86		129	151		194	216		259
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**Computation of Annuity
Under the General Formula
Chapter 50**

Section 50C1.1-1 Charts

Chart 4. -- CSRS General Formula Computation Chart
For Computing Basic Annuity Where High-3 Average Pay is \$5,000 or More

To obtain the basic annuity, multiply the high-3 average pay by factor indicated under applicable years and months of service.

Years of Service	0 Month	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
5 _____	0.075000	0.076458	0.077917	0.079375	0.080833	0.082292	0.083750	0.085208	0.086667	0.088125	0.089583	0.091042
6 _____	.092500	.093958	.095417	.096875	.098333	.099792	.101250	.102708	.104167	.105625	.107083	.108542
7 _____	.110000	.111458	.112917	.114375	.115833	.117292	.118750	.120208	.121667	.123125	.124583	.126042
8 _____	.127500	.128958	.130417	.131875	.133333	.134792	.136250	.137708	.139167	.140625	.142083	.143542
9 _____	.145000	.146458	.147917	.149375	.150833	.152292	.153750	.155208	.156667	.158125	.159583	.161042
10 _____	.162500	.164167	.165833	.167500	.169167	.170833	.172500	.174167	.175833	.177500	.179167	.180833
11 _____	.182500	.184167	.185833	.187500	.189167	.190833	.192500	.194167	.195833	.197500	.199167	.200833
12 _____	.202500	.204167	.205833	.207500	.209167	.210833	.212500	.214167	.215833	.217500	.219167	.220833
13 _____	.222500	.224167	.225833	.227500	.229167	.230833	.232500	.234167	.235833	.237500	.239167	.240833
14 _____	.242500	.244167	.245833	.247500	.249167	.250833	.252500	.254167	.255833	.257500	.259167	.260833
15 _____	.262500	.264167	.265833	.267500	.269167	.270833	.272500	.274167	.275833	.277500	.279167	.280833
16 _____	.282500	.284167	.285833	.287500	.289167	.290833	.292500	.294167	.295833	.297500	.299167	.300833
17 _____	.302500	.304167	.305833	.307500	.309167	.310833	.312500	.314167	.315833	.317500	.319167	.320833
18 _____	.322500	.324167	.325833	.327500	.329167	.330833	.332500	.334167	.335833	.337500	.339167	.340833
19 _____	.342500	.344167	.345833	.347500	.349167	.350833	.352500	.354167	.355833	.357500	.359167	.360833
20 _____	.362500	.364167	.365833	.367500	.369167	.370833	.372500	.374167	.375833	.377500	.379167	.380833
21 _____	.382500	.384167	.385833	.387500	.389167	.390833	.392500	.394167	.395833	.397500	.399167	.400833
22 _____	.402500	.404167	.405833	.407500	.409167	.410833	.412500	.414167	.415833	.417500	.419167	.420833
23 _____	.422500	.424167	.425833	.427500	.429167	.430833	.432500	.434167	.435833	.437500	.439167	.440833
24 _____	.442500	.444167	.445833	.447500	.449167	.450833	.452500	.454167	.455833	.457500	.459167	.460833
25 _____	.462500	.464167	.465833	.467500	.469167	.470833	.472500	.474167	.475833	.477500	.479167	.480833
26 _____	.482500	.484167	.485833	.487500	.489167	.490833	.492500	.494167	.495833	.497500	.499167	.500833
27 _____	.502500	.504167	.505833	.507500	.509167	.510833	.512500	.514167	.515833	.517500	.519167	.520833
28 _____	.522500	.524167	.525833	.527500	.529167	.530833	.532500	.534167	.535833	.537500	.539167	.540833
29 _____	.542500	.544167	.545833	.547500	.549167	.550833	.552500	.554167	.555833	.557500	.559167	.560833
30 _____	.562500	.564167	.565833	.567500	.569167	.570833	.572500	.574167	.575833	.577500	.579167	.580833
31 _____	.582500	.584167	.585833	.587500	.589167	.590833	.592500	.594167	.595833	.597500	.599167	.600833
32 _____	.602500	.604167	.605833	.607500	.609167	.610833	.612500	.614167	.615833	.617500	.619167	.620833
33 _____	.622500	.624167	.625833	.627500	.629167	.630833	.632500	.634167	.635833	.637500	.639167	.640833
34 _____	.642500	.644167	.645833	.647500	.649167	.650833	.652500	.654167	.655833	.657500	.659167	.660833

**Computation of Annuity
Under the General Formula
Chapter 50**

35 _ _ _ _	.662500	.664167	.665833	.667500	.669167	.670833	.672500	.674167	.675833	.677500	.679167	.680833
36 _ _ _ _	.682500	.684167	.685833	.687500	.689167	.690833	.692500	.694167	.695833	.697500	.699167	.700833
37 _ _ _ _	.702500	.704167	.705833	.707500	.709167	.710833	.712500	.714167	.715833	.717500	.719167	.720833
38 _ _ _ _	.722500	.724167	.725833	.727500	.729167	.730833	.732500	.734167	.735833	.737500	.739167	.740833
39 _ _ _ _	.742500	.744167	.745833	.747500	.749167	.750833	.752500	.754167	.755833	.757500	.759167	.760833
40 _ _ _ _	.762500	.764167	.765833	.767500	.769167	.770833	.772500	.774167	.775833	.777500	.779167	.780833
41 _ _ _ _	.782500	.784167	.785833	.787500	.789167	.790833	.792500	.794167	.795833	.797500	.799167	¹ 80%

¹ Annuity in excess of 80 percent that is produced by credit for unused sick leave is payable.

Computation of Annuity Under the General Formula
Chapter 50

Section 50C1.1-1 Charts**Chart 5. -- CSRS 2% Age Reduction Chart**

Factors for Determining Reduction
in
Basic Annuity

(25-Year Discontinued-Service Retirement;
20-Year Discontinued-Service at Age 50; and
Early Optional Retirement)

Age at separation and at least one day over	0 Month	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
40_-----	0.701667	0.703333	0.705000	0.706667	0.708333	0.710000	0.711667	0.713333	0.715000	0.716667	0.718333	0.720000
41_-----	.721667	.723333	.725000	.726667	.728333	.730000	.731667	.733333	.735000	.736667	.738333	.740000
42_-----	.741667	.743333	.745000	.746667	.748333	.750000	.751667	.753333	.755000	.756667	.758333	.760000
43_-----	.761667	.763333	.765000	.766667	.768333	.770000	.771667	.773333	.775000	.776667	.778333	.780000
44_-----	.781667	.783333	.785000	.786667	.788333	.790000	.791667	.793333	.795000	.796667	.798333	.800000
45_-----	.801667	.803333	.805000	.806667	.808333	.810000	.811667	.813333	.815000	.816667	.818333	.820000
46_-----	.821667	.823333	.825000	.826667	.828333	.830000	.831667	.833333	.835000	.836667	.838333	.840000
47_-----	.841667	.843333	.845000	.846667	.848333	.850000	.851667	.853333	.855000	.856667	.858333	.860000
48_-----	.861667	.863333	.865000	.866667	.868333	.870000	.871667	.873333	.875000	.876667	.878333	.880000
49_-----	.881667	.883333	.885000	.886667	.888333	.890000	.891667	.893333	.895000	.896667	.898333	.900000
50_-----	.901667	.903333	.905000	.906667	.908333	.910000	.911667	.913333	.915000	.916667	.918333	.920000
51_-----	.921667	.923333	.925000	.926667	.928333	.930000	.931667	.933333	.935000	.936667	.938333	.940000
52_-----	.941667	.943333	.945000	.946667	.948333	.950000	.951667	.953333	.955000	.956667	.958333	.960000
53_-----	.961667	.963333	.965000	.966667	.968333	.970000	.971667	.973333	.975000	.976667	.978333	.980000
54_-----	.981667	.983333	.985000	.986667	.988333	.990000	.991667	.993333	.995000	.996667	.998333	1.000000

(Multiply unreduced basic annuity by applicable factor shown above to calculate reduced retirement benefits.
NOTE: There may be further reductions.)

Computation of Annuity Under the General Formula
Chapter 50

Section 50C1.1-1 Charts

Chart 6. -- For Computing Basic Annuity -- FERS 1 Percent Accrual Factor

To obtain the basic annuity, multiply the "High-3" average salary by the factor indicated under applicable years and months of service.

Years of Service	0 Month	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
1	0.010000	0.010833	0.011667	0.012500	0.013333	0.014167	0.015000	0.015833	0.016667	0.017500	0.018333	0.019167
2	0.020000	0.020833	0.021667	0.022500	0.023333	0.024167	0.025000	0.025833	0.026667	0.027500	0.028333	0.029167
3	0.030000	0.030833	0.031667	0.032500	0.033333	0.034167	0.035000	0.035833	0.036667	0.037500	0.038333	0.039167
4	0.040000	0.040833	0.041667	0.042500	0.043333	0.044167	0.045000	0.045833	0.046667	0.047500	0.048333	0.049167
5	0.050000	0.050833	0.051667	0.052500	0.053333	0.054167	0.055000	0.055833	0.056667	0.057500	0.058333	0.059167
6	0.060000	0.060833	0.061667	0.062500	0.063333	0.064167	0.065000	0.065833	0.066667	0.067500	0.068333	0.069167
7	0.070000	0.070833	0.071667	0.072500	0.073333	0.074167	0.075000	0.075833	0.076667	0.077500	0.078333	0.079167
8	0.080000	0.080833	0.081667	0.082500	0.083333	0.084167	0.085000	0.085833	0.086667	0.087500	0.088333	0.089167
9	0.090000	0.090833	0.091667	0.092500	0.093333	0.094167	0.095000	0.095833	0.096667	0.097500	0.098333	0.099167
10	0.100000	0.100833	0.101667	0.102500	0.103333	0.104167	0.105000	0.105833	0.106667	0.107500	0.108333	0.109167
11	0.110000	0.110833	0.111667	0.112500	0.113333	0.114167	0.115000	0.115833	0.116667	0.117500	0.118333	0.119167
12	0.120000	0.120833	0.121667	0.122500	0.123333	0.124167	0.125000	0.125833	0.126667	0.127500	0.128333	0.129167
13	0.130000	0.130833	0.131667	0.132500	0.133333	0.134167	0.135000	0.135833	0.136667	0.137500	0.138333	0.139167
14	0.140000	0.140833	0.141667	0.142500	0.143333	0.144167	0.145000	0.145833	0.146667	0.147500	0.148333	0.149167
15	0.150000	0.150833	0.151667	0.152500	0.153333	0.154167	0.155000	0.155833	0.156667	0.157500	0.158333	0.159167
16	0.160000	0.160833	0.161667	0.162500	0.163333	0.164167	0.165000	0.165833	0.166667	0.167500	0.168333	0.169167
17	0.170000	0.170833	0.171667	0.172500	0.173333	0.174167	0.175000	0.175833	0.176667	0.177500	0.178333	0.179167
18	0.180000	0.180833	0.181667	0.182500	0.183333	0.184167	0.185000	0.185833	0.186667	0.187500	0.188333	0.189167
19	0.190000	0.190833	0.191667	0.192500	0.193333	0.194167	0.195000	0.195833	0.196667	0.197500	0.198333	0.199167
20	0.200000	0.200833	0.201667	0.202500	0.203333	0.204167	0.205000	0.205833	0.206667	0.207500	0.208333	0.209167
21	0.210000	0.210833	0.211667	0.212500	0.213333	0.214167	0.215000	0.215833	0.216667	0.217500	0.218333	0.219167
22	0.220000	0.220833	0.221667	0.222500	0.223333	0.224167	0.225000	0.225833	0.226667	0.227500	0.228333	0.229167
23	0.230000	0.230833	0.231667	0.232500	0.233333	0.234167	0.235000	0.235833	0.236667	0.237500	0.238333	0.239167
24	0.240000	0.240833	0.241667	0.242500	0.243333	0.244167	0.245000	0.245833	0.246667	0.247500	0.248333	0.249167
25	0.250000	0.250833	0.251667	0.252500	0.253333	0.254167	0.255000	0.255833	0.256667	0.257500	0.258333	0.259167
26	0.260000	0.260833	0.261667	0.262500	0.263333	0.264167	0.265000	0.265833	0.266667	0.267500	0.268333	0.269167
27	0.270000	0.270833	0.271667	0.272500	0.273333	0.274167	0.275000	0.275833	0.276667	0.277500	0.278333	0.279167
28	0.280000	0.280833	0.281667	0.282500	0.283333	0.284167	0.285000	0.285833	0.286667	0.287500	0.288333	0.289167
29	0.290000	0.290833	0.291667	0.292500	0.293333	0.294167	0.295000	0.295833	0.296667	0.297500	0.298333	0.299167
30	0.300000	0.300833	0.301667	0.302500	0.303333	0.304167	0.305000	0.305833	0.306667	0.307500	0.308333	0.309167
31	0.310000	0.310833	0.311667	0.312500	0.313333	0.314167	0.315000	0.315833	0.316667	0.317500	0.318333	0.319167
32	0.320000	0.320833	0.321667	0.322500	0.323333	0.324167	0.325000	0.325833	0.326667	0.327500	0.328333	0.329167
33	0.330000	0.330833	0.331667	0.332500	0.333333	0.334167	0.335000	0.335833	0.336667	0.337500	0.338333	0.339167
34	0.340000	0.340833	0.341667	0.342500	0.343333	0.344167	0.345000	0.345833	0.346667	0.347500	0.348333	0.349167
35	0.350000	0.350833	0.351667	0.352500	0.353333	0.354167	0.355000	0.355833	0.356667	0.357000	0.358333	0.359167
36	0.360000	0.360833	0.361667	0.362500	0.363333	0.364167	0.365000	0.365833	0.366667	0.367500	0.368333	0.369167
37	0.370000	0.370833	0.371667	0.372500	0.373333	0.374167	0.375000	0.375833	0.376667	0.377500	0.378333	0.379167
38	0.380000	0.380833	0.381667	0.382500	0.383333	0.384167	0.385000	0.385833	0.386667	0.387500	0.388333	0.389167
39	0.390000	0.390833	0.391667	0.392500	0.393333	0.394167	0.395000	0.395833	0.396667	0.397500	0.398333	0.399167
40	0.400000	0.400833	0.401667	0.402500	0.403333	0.404167	0.405000	0.405833	0.406667	0.407500	0.408333	0.409167

Section 50C1.1-1 Charts**Chart 7. -- For Computing Basic Annuity -- FERS 1.1 Percent Accrual Factor**

To obtain the basic annuity, multiply the "High-3" average salary by the factor indicated
under applicable years and months of service.

Years of Service	0 Month	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
1	0.011000	0.000917	0.001833	0.002750	0.003667	0.004583	0.005500	0.006417	0.007333	0.008250	0.009167	0.010083
2	0.022000	0.011917	0.012833	0.013750	0.014667	0.015583	0.016500	0.017417	0.018333	0.019250	0.020167	0.021083
3	0.033000	0.022917	0.023833	0.024750	0.025667	0.026583	0.027500	0.028417	0.029333	0.030250	0.031167	0.032083
4	0.044000	0.033917	0.034833	0.035750	0.036667	0.037583	0.038500	0.039417	0.040333	0.041250	0.042167	0.043083
5	0.055000	0.044917	0.045833	0.046750	0.047667	0.048583	0.049500	0.050417	0.051333	0.052250	0.053167	0.054083
6	0.066000	0.055917	0.056833	0.057750	0.058667	0.059583	0.060500	0.061417	0.062333	0.063250	0.064167	0.065083
7	0.077000	0.066917	0.067833	0.068750	0.069667	0.070583	0.071500	0.072417	0.073333	0.074250	0.075167	0.076083
8	0.088000	0.077917	0.078833	0.079750	0.080667	0.081583	0.082500	0.083417	0.084333	0.085250	0.086167	0.087083
9	0.099000	0.088917	0.089833	0.090750	0.091667	0.092583	0.093500	0.094417	0.095333	0.096250	0.097167	0.098083
10	0.110000	0.099917	0.100833	0.101750	0.102667	0.103583	0.104500	0.105417	0.106333	0.107250	0.108167	0.109083
11	0.121000	0.110917	0.111833	0.112750	0.113667	0.114583	0.115500	0.116417	0.117333	0.118250	0.119167	0.120083
12	0.132000	0.121917	0.122833	0.123750	0.124667	0.125583	0.126500	0.127417	0.128333	0.129250	0.130167	0.131083
13	0.143000	0.132917	0.133833	0.134750	0.135667	0.136583	0.137500	0.138417	0.139333	0.140250	0.141167	0.142083
14	0.154000	0.143917	0.144833	0.145750	0.146667	0.147583	0.148500	0.149417	0.150333	0.151250	0.152167	0.153083
15	0.165000	0.154917	0.155833	0.156750	0.157667	0.158583	0.159500	0.160417	0.161333	0.162250	0.163167	0.164083
16	0.176000	0.165917	0.166833	0.167750	0.168667	0.169583	0.170500	0.171417	0.172333	0.173250	0.174167	0.175083
17	0.187000	0.176917	0.177833	0.178750	0.179667	0.180583	0.181500	0.182417	0.183333	0.184250	0.185167	0.186083
18	0.198000	0.187917	0.188833	0.189750	0.190667	0.191583	0.192500	0.193417	0.194333	0.195250	0.196167	0.197083
19	0.209000	0.198917	0.199833	0.200750	0.201667	0.202583	0.203500	0.204417	0.205333	0.206250	0.207167	0.208083
20	0.220000	0.209917	0.210833	0.211750	0.212667	0.213583	0.214500	0.215417	0.216333	0.217250	0.218167	0.219083
21	0.231000	0.220917	0.221833	0.222750	0.223667	0.224583	0.225500	0.226417	0.227333	0.228250	0.229167	0.230083
22	0.242000	0.231917	0.232833	0.233750	0.234667	0.235583	0.236500	0.237417	0.238333	0.239250	0.240167	0.241083
23	0.253000	0.242917	0.243833	0.244750	0.245667	0.246583	0.247500	0.248417	0.249333	0.250250	0.251167	0.252083
24	0.264000	0.253917	0.254833	0.255750	0.256667	0.257583	0.258500	0.259417	0.260333	0.261250	0.262167	0.263083
25	0.275000	0.264917	0.265833	0.266750	0.267667	0.268583	0.269500	0.270417	0.271333	0.272250	0.273167	0.274083
26	0.286000	0.275917	0.276833	0.277750	0.278667	0.279583	0.280500	0.281417	0.282333	0.283250	0.284167	0.285083
27	0.297000	0.286917	0.287833	0.288750	0.289667	0.290583	0.291500	0.292417	0.293333	0.294250	0.295167	0.296083
28	0.308000	0.297917	0.298833	0.299750	0.300667	0.301583	0.302500	0.303417	0.304333	0.305250	0.306167	0.307083
29	0.319000	0.308917	0.309833	0.310750	0.311667	0.312583	0.313500	0.314417	0.315333	0.316250	0.317167	0.318083
30	0.330000	0.319917	0.320833	0.321750	0.322667	0.323583	0.324500	0.325417	0.326333	0.327250	0.328167	0.329083
31	0.341000	0.330917	0.331833	0.332750	0.333667	0.334583	0.335500	0.336417	0.337333	0.338250	0.339167	0.340083
32	0.352000	0.341917	0.342833	0.343750	0.344667	0.345583	0.346500	0.347417	0.348333	0.349250	0.350167	0.351083
33	0.363000	0.352917	0.353833	0.354750	0.355667	0.356583	0.357500	0.358417	0.359333	0.360250	0.361167	0.362083
34	0.374000	0.363917	0.364833	0.365750	0.366667	0.367583	0.368500	0.369417	0.370333	0.371250	0.372167	0.373083
35	0.385000	0.374917	0.375833	0.376750	0.377667	0.378583	0.379500	0.380417	0.381333	0.382250	0.383167	0.384083
36	0.396000	0.385917	0.386833	0.387750	0.388667	0.389583	0.390500	0.391417	0.392333	0.393250	0.394167	0.395083
37	0.407000	0.396917	0.397833	0.398750	0.399667	0.400583	0.401500	0.402417	0.403333	0.404250	0.405167	0.406083
38	0.418000	0.407917	0.408833	0.409750	0.410667	0.411583	0.412500	0.413417	0.414333	0.415250	0.416167	0.417083
39	0.429000	0.418917	0.419833	0.420750	0.421667	0.422583	0.423500	0.424417	0.425333	0.426250	0.427167	0.428083
40	0.440000	0.429917	0.430833	0.431750	0.432667	0.433583	0.434500	0.435417	0.436333	0.437250	0.438167	0.439083
40	0.440000	0.440917	0.441833	0.442750	0.443667	0.444583	0.445500	0.446417	0.447333	0.448250	0.449167	0.450083

Section 50C1.1-1 Charts

Chart 8. -- FERS 5% Age Reduction Chart

Factors for Determining Reductions
in
Basic Annuity for Early Deferred or MRA + 10 Retirement

Age at annuity commencing date and at least 1 day over	0 Month	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
55 _ _ _ _	0.654167	0.658333	0.662500	0.666667	0.670833	0.675000	0.679167	0.683333	0.687500	0.691667	0.695833	0.700000
56 _ _ _ _	0.704167	0.708333	0.712500	0.716667	0.720833	0.725000	0.729167	0.733333	0.737500	0.741667	0.745833	0.750000
57 _ _ _ _	0.754167	0.758333	0.762500	0.766667	0.770833	0.775000	0.779167	0.783333	0.787500	0.791667	0.795833	0.800000
58 _ _ _ _	0.804167	0.808333	0.812500	0.816667	0.820833	0.825000	0.829167	0.833333	0.837500	0.841667	0.845833	0.850000
59 _ _ _ _	0.854167	0.858333	0.862500	0.866667	0.870833	0.875000	0.879167	0.883333	0.887500	0.891667	0.895833	0.900000
60 _ _ _ _	0.904167	0.908333	0.913500	0.916667	0.920833	0.925000	0.929167	0.933333	0.937500	0.941667	0.945833	0.950000
61 _ _ _ _	0.954167	0.958333	0.962500	0.966667	0.970833	0.975000	0.979167	0.983333	0.987500	0.991667	0.995833	1.000000

Multiply unreduced Basic Annuity benefit by applicable factor shown above to calculate reduced retirement benefit.

NOTE: The election of a survivor benefit will reduce benefits further.

**Computation of Annuity
Under the General Formula
Chapter 50**

**Section 50C1.1-1 (Cont.)
Charts**

**CSRS
PRESENT VALUE FACTORS**

(Effective 10-1-94 through 9-30-97)

<u>Age at Retirement</u>	<u>Reduction Factor</u>	<u>Age at Retirement</u>	<u>Reduction Factor</u>
40	294.4	66	156.0
41	290.0	67	150.7
42	285.5	68	145.4
43	280.8	69	140.2
44	276.2	70	134.7
45	270.4	71	129.4
46	264.7	72	124.0
47	259.2	73	118.8
48	253.5	74	113.6
49	247.2	75	108.5
50	240.4	76	103.5
51	235.0	77	98.7
52	229.8	78	93.9
53	224.4	79	89.4
54	218.6	80	84.9
55	212.6	81	80.5
56	207.5	82	76.3
57	202.4	83	72.3
58	197.0	84	68.4
59	192.3	85	64.7
60	188.3	86	61.2
61	182.9	87	57.9
62	177.0	88	54.7
63	171.9	89	51.8
64	166.5	90	48.9
65	161.1		

**Section 50C1.1-1 (Cont.)
Charts**

**CSRS
PRESENT VALUE FACTORS**

(Effective 10-1-97)

<u>Age at Retirement</u>	<u>Reduction Factor</u>	<u>Age at Retirement</u>	<u>Reduction Factor</u>
40	271.2	66	156.8
41	267.1	67	152.0
42	263.3	68	147.1
43	259.9	69	142.3
44	256.5	70	137.1
45	252.5	71	131.9
46	248.4	72	126.7
47	244.4	73	121.5
48	240.2	74	116.2
49	235.8	75	111.0
50	230.9	76	105.9
51	226.7	77	100.8
52	222.6	78	95.8
53	218.2	79	90.9
54	213.5	80	86.2
55	208.5	81	81.6
56	204.0	82	77.1
57	199.4	83	72.8
58	194.7	84	68.7
59	190.2	85	64.7
60	186.1	86	61.0
61	181.2	87	57.4
62	176.0	88	54.1
63	171.3	89	50.9
64	166.4	90	47.9
65	161.5		

Section 50C1.1-2 CSRS Examples

The examples in this section demonstrate the correct procedures for computing annuity estimates. Each example consists of an explanatory text that refers to a completed work sheet immediately following the text for that example. The circled numbers in the text correspond to circled numbers on the work sheet.

Most of the information needed to perform annuity estimates should be readily available to the employing agency through sources such as the Official Personnel Folder and payroll records. Occasionally, the employing agency may need to contact OPM for certain kinds of information concerning prior employment, unless the employee can provide accurate information from personal records. For example, information about refunds of retirement contributions or deposits for military service might not be available at the current employing agency.

Example 1: CSRS or FERS high-3 average pay, with full 3 years of service:

<u>Date</u>	<u>Pay</u>
1-3-91	\$23,890
6-3-91	25,003
4-6-92	27,653
12-7-92	28,001
8-5-93	29,400
5-3-94	Optional Retirement

- ① Find the beginning date of the high-3 period from the highest 3 consecutive years of pay (5-4-91).

NOTE 1: Any 3 years of consecutive service (does not have to be continuous) in an employee's career may be used to determine the highest 3 years of pay.

NOTE 2: See section 50A2.1-3 for instructions about computing length of service.

NOTE 3: See Chapter 55 if there is part-time service during the high-3 period.

**Computation of Annuity
Under the General Formula
Chapter 50**

Example 1

(Cont.): ② Compute earnings.

- a. Enter the beginning date of the high-3 period (5-4-91) in column A.
- b. Enter the rate of pay in effect on that date in column C (\$23,890).

NOTE: Use basic pay only. (See Chapter 30 for a complete explanation of basic pay.)
- c. Enter the last day at that pay rate (6-2-91), or the day before the next pay change in column B.
- d. Compute the total time (29 days) in column D by subtracting the date in column A from the date in column B. (See section 50A2.1-3.)
- e. In column E, enter the time factor (.080556) from the 360 Day Factor Chart (Chart 1) provided in section 50C1.1-1 for the total time (29 days).
- f. Multiply the annual basic pay by the time factor (C x E) to compute the pay earned in column F (\$1,924.48) and round to the nearest cent.

NOTE: If date of pay change is on 31st day of the month, enter date of pay change as 1st day of the next month.

- ③ Follow step 2 for subsequent pay rates and compute earnings in the same manner.
- ④ Check computation.
 - a. Total time (column D) should equal 36 months (3 years).
 - b. Time factor (column E) should equal 3.0. Check the time factor by using the 360 Day Factor Chart (Chart 1) provided in section 50C1.1-1 for the total time (3 years 0 days).

NOTE: > Since the time factors are rounded to the sixth decimal place, the total in column E may not always equal exactly 3.0. A total of 2.999999 or 3.000001, < for example, would be appropriate.

**Example 1
(Cont.):**

- ⑤ Total all earnings in column F (\$81,960.91).
- ⑥ Divide the total pay earned (\$81,960.91) by 3 to compute the high-3 average pay (\$27,320).

NOTE: Round the average pay computed to the nearest dollar.

Example 2: CSRS optional retirement, with survivor annuity:

Name:	Alan Jay	
Date of Retirement:	10-30-88	
Date of Birth:	4-29-29	
Active Military Service:	12-30-55 to 3-29-59	Deposit Paid
Civilian Service:	10-2-60 to 10-30-88	Covered Service
Unused Sick Leave:	1243 hours	
High-3 Average Pay:	\$34,874	
Survivor Benefits:	Based on Full Annuity	

- ① Compute age at separation to determine eligibility for retirement and whether a reduction for age must be applied to the annuity:

	31	
88 - 10 - 30		(Date of Retirement)
- 29 - 04 - 29		(Date of Birth)
59 - 06 - 02		(Age at Separation)

- ② Compute total service for computation purposes. Enter each period of service by following the steps below.
- a. Enter the first beginning date of creditable service (12-30-55) in column A.
 - b. Enter the last day of the period of service (3-29-59) in column B.
 - c. Determine whether the period of service is:
 - i. Covered: Retirement deductions were withheld

NOTE: Periods of LWOP in excess of 6 months in a calendar year are not creditable, including excess LWOP during refunded and nondeduction service. (See Chapter 20 for more information about creditable service.)

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 2
(Cont.):**

ii. Nondeduction: Retirement deductions were not withheld

NOTE: Determine if nondeduction service occurred on or after October 1, 1982, and whether or not a deposit for the service has been made. If the nondeduction service was performed on or after October 1, 1982, and deposit is not made, the service counts toward eligibility to retire and to determine the high-3 average pay, but is not included in the length of service computation. If nondeduction service was performed before October 1, 1982, and deposit is not made, the basic annual annuity is reduced by 10 percent of deposit plus interest owed. (See Chapter 21, Service Credit Payments for Civilian Service, for additional information.)

iii. Refunded: Retirement deductions were withheld and refunded

NOTE: If a redeposit for the refunded service is not made, service can be used to determine the high-3 average pay, but is not included in the length of service computation. **EXCEPTION:** If the employee owes a redeposit for a refund of retirement contributions covering a period of service that ended before October 1, 1990, that service **is** included in the length of service computation, but the annuity is reduced. (See section 50A3.1-3.)

iv. Military: Military service that is creditable for retirement purposes

NOTE: See Chapter 22 for more information.

v. Part-time service: See Chapter 55

d. Subtract column B from column A to determine the total service during that period:

$$\begin{array}{r}
 58 - 15 - 30 \\
 59 - 03 - 29 \\
 - \quad 55 - 12 - 30 \\
 \hline
 03 - 03 - 00 \quad (3 \text{ years } 3 \text{ months})
 \end{array}$$

e. Follow steps a through d for subsequent periods of service.

③ Total the civilian and military periods of service in column D.

**Example 2:
(Cont.):**

- ④ Determine how much credit is allowed for unused sick leave by using the 2087 Sick Leave Chart (Chart 2) provided in section 50C1.1-1:

1243 hours = 7 months 5 days

- ⑤ Compute the total creditable service by adding the unused sick leave (7 months 5 days) to the total civilian and military periods of service.
- ⑥ Compute the total service for computation purposes (31 years 11 months) by using whole years and months and dropping any extra days.
- ⑦ Compute the unreduced CSRS annuity.
 - a. Enter the high-3 average pay (\$34,874).
 - b. Enter the years and months of total service for computation purposes (31 years 11 months).
 - c. Use the CSRS General Formula Computation Chart (Chart 4) provided in section 50C1.1-1 to obtain the retirement factor for 31 years 11 months service (.600833).
 - d. Multiply the high-3 average pay (\$34,874) by the retirement factor (.600833) to obtain the unreduced CSRS annuity (\$20,953.45).
- ⑧ Compute the annuity amount payable.

NOTE: In this example, there are no reductions for retirement before age 55 or unpaid deposits for service prior to October 1, 1982.

- a. Enter the base selected by the retiree for the survivor annuity. (In this example, the retiree has selected the full annuity as the base, or \$20,953.45).
- b. Multiply the first \$3,600 of the base selected by 2.5 percent to obtain \$90.
- c. Multiply the remainder over \$3,600 (\$17,353.45) by 10 percent to obtain \$1,735.35.
- d. Total the reduction for survivor annuity (\$1,825.35).

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 2
(Cont.):**

- e. Subtract the total reduction for survivor annuity (\$1,825.35) from the unreduced CSRS annuity (\$20,953.45) to obtain the annual annuity amount payable (\$19,128.10).
 - f. Divide the annual annuity amount payable (\$19,128.10) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$1,594).
- ⑨ Compute the survivor annuity.
- a. Multiply the amount designated as the survivor base (\$20,953.45) by 55 percent to obtain the annual survivor rate (\$11,524.40).
 - b. Divide the annual survivor rate (\$11,524.40) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$960).

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 2:
(Cont.)**

CSRS NONDISABILITY ANNUITY COMPUTATION

EMPLOYEE ANNUITY COMPUTATION

High-3 Average Pay ⑦	\$ 34,874.00
Retirement Factor (31) yrs. (11) mos. (See section 50C1.1-1, Chart 4)	x .600833
Unreduced CSRS Annuity	\$ 20,953.45
Reductions are made for: ⑧	
1) Under age 55 (See section 50C1.1-1, Chart 5)	x NA
Reduced Annuity	\$ NA
2) Non-deposit for service prior to 10-1-82 (subtract 10% of deposit due)	- NA
Reduced Annuity	\$ NA
3) Survivor Annuity:	
Base selected by retiree \$20,953.45	
Amount up to \$3600 - 3,600.00 = \$ 90.00	
Amount over \$3600 = <u>17,353.45</u> x .10 = + <u>1,735.35</u>	
Total Reduction = \$1,825.35	- 1,825.35
Annual Annuity	\$ 19,128.10
MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)	\$ 1,594.00

SURVIVOR ANNUITY COMPUTATION ⑨

Amount designated as survivor base	\$ 20,953.45
Spouse or former spouse entitled to 55% of survivor base	x .55
Annual Survivor Annuity	\$ 11,524.40
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)	\$ 960.00

Example 3: CSRS optional retirement, with reposit service:

Name:	Beatrice Lowman	
> Date of Retirement:	5-30-98	
Date of Birth:	11-4-37	
Active Military Service:	6-2-57 to 8-4-60	
Civilian Service:	10-4-62 to 8-8-69	Refunded Service
	7-2-77 to 5-30-98<	Covered Service
Unused Sick Leave:	580 hours	
Redeposit Owed at Retirement:	\$6,215	
High-3 average pay:	\$38,422	
Survivor Benefits:	None	

- ① Compute age at separation to determine eligibility for retirement and whether a reduction for age must be applied to the annuity:

97 - 17 - 31	
98 - 05 - 30	(Date of Retirement)
- 37 - <u>11</u> - 04	(Date of Birth)
60 - 06 - 27	(Age at Separation)

- ② Compute total service for computation purposes. Enter each period of service by following the steps below.
- a. Enter the beginning date of the first period of creditable service (6-2-57) in column A.
 - b. Enter the last day of that period of service (8-4-60) in column B.
 - c. Determine whether the period of service is:

i. Covered: Retirement deductions were withheld

NOTE: Periods of LWOP in excess of 6 months in a calendar year are not creditable. (See Chapter 20 for more information about creditable service.)

ii. Nondeduction: Retirement deductions were not withheld

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 3:
(Cont.)**

NOTE: Determine if nondeduction service occurred on or after October 1, 1982, and whether or not a deposit for the service has been made. If the nondeduction service was performed on or after October 1, 1982, and deposit is not made, the service counts toward eligibility to retire and to determine the high-3 average pay, but is not included in the length of service computation. If nondeduction service was performed before October 1, 1982, and deposit is not made, the basic annual annuity is reduced by 10 percent of deposit plus interest owed. (See Chapter 21 for additional information.)

iii. Refunded: Retirement deductions were withheld and refunded

NOTE: If a redeposit for the refunded service is not made, service can be used to determine the high-3 average pay, but is not included in the length of service computation. **EXCEPTION:** If the employee owes a redeposit for a refund of retirement contributions covering a period of service that ended before October 1, 1990, that service **is** included in the length of service computation, but the annuity is reduced. (See section 50A3.1-3.)

iv. Military: Military service that is creditable for retirement purposes

NOTE: See Chapter 22 for more information.

v. Part-time service: See Chapter 55

d. Subtract column B from column A to determine the total service during that period:

$$\begin{array}{r}
 05 \\
 60 - 08 - \cancel{04} \\
 - \underline{57 - 06 - 02} \\
 03 - 02 - 03 \qquad (3 \text{ years } 2 \text{ months } 3 \text{ days})
 \end{array}$$

e. Follow steps a through d for subsequent periods of service.

**Example 3:
(Cont.)**

NOTE: In this computation, assume the retiree has not made the redeposit for the refunded service, but since the refund period ended before October 1, 1990, include credit for this service for computation purposes (see section 50A3.1-3J).

- ③ Total the civilian and military periods of service in column D.
- ④ Determine how much credit is allowed for unused sick leave by using the 2087 Sick Leave Chart (Chart 2) provided in section 50C1.1-1:

580 hours = 3 months 10 days

- ⑤ Compute the total creditable service by adding the unused sick leave (3 months 10 days) to the total civilian and military periods of service.
- ⑥ Compute the total service for computation purposes (31 years 2 months) by using whole years and months and dropping any extra days.
- ⑦ Compute the unreduced CSRS annuity.
 - a. Enter the high-3 average pay (\$38,422).
 - b. Enter the years and months of total service for computation purposes (31 years 2 months).
 - c. Use the CSRS General Formula Computation Chart (Chart 4) provided in section 50C1.1-1 to obtain the retirement factor for 31 years 2 months service (.585833).
 - d. Multiply the high-3 average pay (\$38,422) by the retirement factor (.585833) to obtain the unreduced CSRS annuity (\$22,508.88).
- ⑧ Divide the annual annuity rate (\$22,508.88) by 12 and round to the next lower dollar to obtain the monthly annuity amount (\$1,875).
- ⑨ Compute the reduced monthly annuity rate because of an unpaid redeposit for service that ended before October 1, 1990.
 - a. Enter the monthly annuity otherwise payable (\$1,875.00)

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 3:
(Cont.)**

- b. > Obtain the appropriate present value factor (PVF) for the annuitant's age (60) from the CSRS Present Value Factors Chart provided in section 50C1.1-1 and divide the amount of the redeposit owed (\$6,215.00) by the PVF (186.1). Round the result (\$33.40) to the next higher dollar (\$34) and enter that amount.<

- c. Subtract the monthly reduction (\$34) from the monthly annuity otherwise payable (\$1,875) to obtain the CSRS monthly annuity reduced for unpaid redeposit (\$1,841).

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 3:
(Cont.)**

CSRS NONDISABILITY ANNUITY COMPUTATION

EMPLOYEE ANNUITY COMPUTATION

High-3 Average Pay ⑦	\$ 38,422.00
Retirement Factor (31) yrs (2) mos (See section 50C1.1-1, Chart 4)	x .585833
Unreduced CSRS Annuity	\$ 22,508.88
Reductions are made for: ⑧	
1) Under age 55 (See section 50C1.1-1, Chart 5)	x NA
Reduced Annuity	\$ 22,508.88
2) Non-deposit for service prior to 10-1-82 (subtract 10% of deposit due)	- NA
Reduced Annuity	\$ 22,508.88
3) Survivor Annuity:	
Base selected by retiree \$ _____	
Amount up to \$3600 - _____ x .025 = \$ _____	
Amount over \$3600 = _____ x .10 = + _____	
Total Reduction = \$	-
Annual Annuity	\$ 22,508.88
MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)	\$ 1,875.00

SURVIVOR ANNUITY COMPUTATION

Amount designated as survivor base	\$ NA
Spouse or former spouse entitled to 55% of survivor base	x .55
Annual Survivor Annuity	\$
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next dollar)	\$ NA

**Example 3:
(Cont.)**

**COMPUTATION OF REDUCTION
FOR UNPAID REDEPOSIT
FOR SERVICE ENDING BEFORE OCTOBER 1, 1990
CSRS EMPLOYEES**

Monthly Annuity Otherwise Payable ⑨	\$ 1,875.00
Subtract Monthly Reduction: (Round to next higher dollar)	
Redeposit Owed \$ <u>6,215</u> ÷ CSRS PVF* <u>186.1</u> =	- 34.00
CSRS MONTHLY ANNUITY REDUCED FOR UNPAID REDEPOSIT	\$ 1,841.00

***Present Value Factor (see Chapter 53, Section 53C1.1-1).**

**Computation of Annuity
Under the General Formula
Chapter 50**

Example 4: CSRS early retirement, with reduction for retirement before age 55 and survivor annuity:

Name:	Hadley Patterson		
Date of Retirement:	6-1-89		
Date of Birth:	3-15-37		
Active Military Service:	12-30-56 to 11-29-59	Deposit Paid	
Civilian Service:	10-4-63 to 8-17-78	Covered Service	
	11-8-79 to 6-1-89	Covered Service	
Unused Sick Leave:	268 hours		
High-3 Average Pay:	\$48,310		
Survivor Benefits:	Based on \$3,600		

- ① Compute age at separation to determine eligibility for retirement and whether a reduction for age must be applied to the annuity:

32	
05 - 02	
89 - 06 - 01	(Date of Retirement)
- <u>37 - 03 - 15</u>	(Date of Birth)
52 - 02 - 17	(Age at Separation)

NOTE: A reduction applies to the annuity because the retiree is under age 55.
(See step 8.)

- ② Compute total service for computation purposes. Enter each period of service by following the steps below.
- a. Enter the first beginning date of creditable service (12-30-56) in column A.
 - b. Enter the last day of the period of service (11-29-59) in column B.
 - c. Determine whether the period of service is:
 - i. Covered: Retirement deductions were withheld

NOTE: Periods of LWOP in excess of 6 months in a calendar year are not creditable. (See Chapter 20 for more information about creditable service.)

**Example 4:
(Cont.)**

ii. Nondeduction: Retirement deductions were not withheld

NOTE: Determine if nondeduction service occurred on or after October 1, 1982, and whether or not a deposit for the service has been made. If the nondeduction service was performed on or after October 1, 1982, and deposit is not made, the service counts toward eligibility to retire and to determine the high-3 average pay, but is not included in the length of service computation. If nondeduction service was performed before October 1, 1982, and deposit is not made, the basic annual annuity is reduced by 10 percent of deposit plus interest owed. (See Chapter 21 for additional information.)

iii. Refunded: Retirement deductions were withheld and refunded

NOTE: If a redeposit for the refunded service is not made, service can be used to determine the high-3 average pay, but is not included in the length of service computation. **EXCEPTION:** If the employee owes a redeposit for a refund of retirement contributions covering a period of service that ended before December 1, 1990, that service **is** included in the length of service computation, but the annuity is reduced. (See section 50A3.1-3.)

iv. Military: Military service that is creditable for retirement purposes

NOTE: See Chapter 22 for more information.

v. Part-time service: See Chapter 55

d. Subtract column B from column A to determine the total service during that period:

$$\begin{array}{r}
 58 - 23 - 30 \\
 59 - \del{11} - \del{29} \\
 - \underline{56 - 12 - 30} \\
 02 - 11 - 00 \quad (2 \text{ years } 11 \text{ months})
 \end{array}$$

e. Follow steps a through d for subsequent periods of service.

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 4:
(Cont.)**

- ③ Total the civilian and military periods of service in column D.

NOTE: In this example, the post-1956 military deposit has been paid, therefore there will not be a recomputation of annuity at age 62. (See Chapter 23 for more information about post-1956 military service credit payments.)

- ④ Determine how much credit is allowed for unused sick leave by using the 2087 Sick Leave Chart (Chart 2) provided in section 50C1.1-1:

268 hours = 1 month 17 days

- ⑤ Compute the total creditable service by adding the unused sick leave (1 month 17 days) to the total civilian and military periods of service.
- ⑥ Compute the total service for computation purposes (27 years 5 months) by using whole years and months and dropping any extra days.
- ⑦ Compute the unreduced CSRS annuity.
- a. Enter the high-3 average pay (\$48,310).
 - b. Enter the years and months of total service for computation purposes (27 years 5 months).
 - c. Use the CSRS General Formula Computation Chart (Chart 4) provided in section 50C1.1-1 to obtain the retirement factor for 27 years 5 months service (.510833).
 - d. Multiply the high-3 average pay (\$48,310) by the retirement factor (.510833) to obtain the unreduced CSRS annuity (\$24,678.34).
- ⑧ Compute the annuity amount payable.
- a. Obtain the age reduction factor (.945000) for the age at retirement (52 years 2 months) from the CSRS 2 Percent Age Reduction Chart (Chart 5) provided in section 50C1.1-1.
 - b. Multiply the age reduction factor (.945000) by the unreduced CSRS annuity (\$24,678.34) to obtain the reduced annuity (\$23,321.03).

**Example 4:
(Cont.)**

- c. Enter the base selected by the retiree for the survivor annuity. (In this example, the retiree has selected \$3,600 as the base.)
 - d. Multiply the first \$3,600 of the base selected by 2.5 percent, to obtain \$90.
 - e. Total the reduction for survivor annuity (\$90).
 - f. Subtract the total reduction for survivor annuity (\$90) from the annuity reduced for age (\$23,321.03) to obtain the annual annuity amount payable (\$23,231.03).
 - g. Divide the annual annuity amount payable (\$23,231.03) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$1,935).
- ⑨ Compute the survivor annuity.
- a. Multiply the amount designated as the survivor base (\$3,600) by 55 percent to obtain the annual survivor rate (\$1,980).
 - b. Divide the annual survivor rate (\$1,980) by 12 and round to the next lower dollar to obtain the monthly survivor annuity rate (\$165).

**Computation of Annuity
Under the General Formula
Chapter 50**

Example 4:
(Cont.)

COMPUTATION OF SERVICE CREDIT

NAME: Hadley Patterson DATE OF RETIREMENT: 89 - 06 - 01
 DATE OF BIRTH: 37 - 03 - 15 ①
 AGE: 52 - 02 - 17

YR MO DY
 32
 05 02

TYPE OF SERVICE SHOWN
<input checked="" type="checkbox"/> CSRS
<input type="checkbox"/> FERS
<input type="checkbox"/> CSRS COMPONENT OF FERS TRANSFEREE

A	B	C	D (Do not list noncreditable periods of service)		
			YRS	MOS	DAYS
② 56-12-30	59-11-29	Military	2	11	0
63-10-04	78-08-17	Covered	14	10	14
79-11-08	89-06-01	Covered	9	6	24
③	TOTAL CIVILIAN/MILITARY		25	27	38
④	UNUSED SICK LEAVE *			1	17
⑤	TOTAL CREDITABLE SERVICE		25	28	55
⑥	TOTAL SERVICE FOR COMPUTATION PURPOSES		27	5	

* For FERS transferee use lesser of amount at date of transfer or date of retirement. Do not complete for FERS only or deferred retirements.

**Example 4:
(Cont.)**

CSRS NONDISABILITY ANNUITY COMPUTATION

EMPLOYEE ANNUITY COMPUTATION

High-3 Average Pay ⑦	\$ 48,310.00
Retirement Factor (27) yrs (5) mos (See section 50C1.1-1, Chart 4)	x .510833
Unreduced CSRS Annuity	\$ 24,678.34
Reductions are made for: ⑧	
1) Under age 55 (See section 50C1.1-1, Chart 5)	x .945000
Reduced Annuity	\$ 23,321.03
2) Non-deposit for service prior to 10-1-82 (subtract 10% of deposit due)	- NA
Reduced Annuity	\$ 23,321.03
3) Survivor Annuity:	
Base selected by retiree \$ <u>3,600.00</u>	
Amount up to \$3600 - <u>3,600.00</u> x .025 = \$ <u>90.00</u>	
Amount over \$3600 = _____ x .10 = + _____	
Total Reduction =	\$90.00
Annual Annuity	\$ 23,231.03
MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)	\$ 1,935.00

SURVIVOR ANNUITY COMPUTATION ⑨

Amount designated as survivor base	\$ 3,600.00
Spouse or former spouse entitled to 55% of survivor base	x .55
Annual Survivor Annuity	\$ 1,980.00
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next dollar)	\$ 165.00

**Computation of Annuity
Under the General Formula
Chapter 50**

Example 5: CSRS discontinued service, with deposit service prior to October 1, 1982, and reduction for survivor benefits:

Name:	Debra James	
Date of Retirement:	9-3-90	
Date of Birth:	7-24-39	
Active Military Service:	8-14-59 to 7-30-61	Deposit Paid
Civilian Service:	10-3-61 to 8-6-62	Deposit Service
	8-7-62 to 9-3-90	Covered Service
Unused Sick Leave:	2100 hours	
Deposit Owed at Retirement:	\$1,003	
High-3 Average Pay:	\$33,947	
Survivor Benefits:	Based on \$3,600	

- ① Compute age at separation to determine eligibility for retirement and whether a reduction for age must be applied to the annuity:

34	
08 - 04	
90 - 09 - 03	(Date of Separation)
<u>- 39 - 07 - 24</u>	(Date of Birth)
51 - 01 - 10	(Age at Separation)

- ② Compute total service for computation purposes. Enter each period of service by following the steps below.

- a. Enter the first beginning date of creditable service (8-14-59) in column A.
- b. Enter the last day of the period of service (7-30-61) in column B.
- c. Determine whether the period of service is:

- i. Covered: Retirement deductions were withheld

NOTE: Periods of LWOP in excess of 6 months in a calendar year are not creditable. (See Chapter 20 for more information about creditable service.)

**Example 5:
(Cont.)**

ii. Nondeduction: Retirement deductions were not withheld

NOTE: Determine if nondeduction service occurred on or after October 1, 1982, and whether or not a deposit for the service has been made. If the nondeduction service was performed on or after October 1, 1982, and deposit not made, the service counts toward eligibility to retire and to determine the high-3 average pay, but is not included in the length of service computation. If nondeduction service was performed before October 1, 1982, and deposit is not made, the basic annual annuity is reduced by 10 percent of deposit plus interest owed. (See Chapter 21 for additional information.)

iii. Refunded: Retirement deductions were withheld and refunded

NOTE: If a redeposit for the refunded service is not made, service can be used to determine the high-3 average pay, but is not included in the length of service computation. **EXCEPTION:** If the employee owes a redeposit for a refund of retirement contributions covering a period of service that ended before October 1, 1990, that service **is** included in the length of service computation, but the annuity is reduced. (See section 50A3.1-3.)

iv. Military: Military service that is creditable for retirement purposes

NOTE: See Chapter 22 for more information.

v. Part-time service: See Chapter 55

d. Subtract column B from column A to determine the total service during that period:

$$\begin{array}{r}
 60 - 19 - 31 \\
 \cancel{61} - \cancel{07} - \cancel{30} \\
 - \underline{59 - 08 - 14} \\
 01 - 11 - 17 \quad (1 \text{ year } 11 \text{ months } 17 \text{ days})
 \end{array}$$

e. Follow steps a through d for subsequent periods of service.

③ Total the civilian and military periods of service in column D.

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 5:
(Cont.)**

NOTE: In this example, the post-1956 military deposit has been paid, therefore there will not be a recomputation of annuity at age 62. (See Chapter 23 for more information about post-1956 military service credit payments.)

- ④ Determine how much credit is allowed for unused sick leave by using the 2087 Sick Leave Chart (Chart 2) provided in section 50C1.1-1:

2100 hours = 1 year 3 days

- ⑤ Compute the total creditable service by adding the unused sick leave (1 year 3 days) to the total civilian and military periods of service.
- ⑥ Compute the total service for computation purposes (31 years 10 months) by using whole years and months and dropping any extra days.
- ⑦ Compute the unreduced CSRS annuity.
- a. Enter the high-3 average pay (\$33,947).
- b. Enter the years and months of total service for computation purposes (31 years 10 months).
- c. Use the CSRS General Formula Computation Chart (Chart 4) provided in section 50C1.1-1 to obtain the retirement factor for 31 years 10 months service (.599167).
- d. Multiply the high-3 average pay (\$33,947) by the retirement factor (.599167) to obtain the unreduced CSRS annuity (\$20,339.92).
- ⑧ Compute the annuity amount payable.
- a. Obtain the age reduction factor (.923333) for the age at retirement (51 years 1 month) from the CSRS 2 Percent Age Reduction Chart (Chart 5) provided in section 50C1.1-1.
- b. Multiply the age reduction factor (.923333) by the unreduced CSRS annuity (\$20,339.92) to obtain the reduced annuity for age (\$18,780.52).

**Example 5:
(Cont.)**

- c. Subtract 10 percent of the deposit due (\$1,003.00) for nondeduction service prior to October 1, 1982 (\$100.30) from the reduced annuity for age (\$18,780.52) to obtain the reduced annuity for age and deposit (\$18,680.22).
 - d. Enter the base selected by the retiree for the survivor annuity (\$3,600).
 - e. Multiply the first \$3,600 of the base selected by 2.5 percent to obtain \$90.
 - f. Total the reduction for survivor annuity (\$90).
 - g. Subtract the total reduction for survivor annuity (\$90) from the reduced annuity for age and deposit (\$18,680.22) to obtain the annual annuity amount payable (\$18,590.22).
 - h. Divide the annual annuity amount payable (\$18,590.22) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$1,549).
- ⑨ Compute the survivor annuity.
- a. Multiply the amount designated as the survivor base (\$3,600) by 55 percent to obtain the annual survivor rate (\$1,980).
 - b. Divide the annual survivor rate (\$1,980) by 12 and round to the next lower dollar to obtain the monthly survivor annuity rate (\$165).

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 5:
(Cont.)**

COMPUTATION OF SERVICE CREDIT

YR MO DY

NAME: Debra James

DATE OF RETIREMENT: 90 - 08 - 31

DATE OF BIRTH: 39 - 07 - 24 ①

AGE: 51 - 01 - 10

TYPE OF SERVICE SHOWN
<input checked="" type="checkbox"/> CSRS
<input type="checkbox"/> FERS
<input type="checkbox"/> CSRS COMPONENT OF FERS TRANSFEREE

A	B	C	D (Do not list noncreditable periods of service)		
			YRS	MOS	DAYS
STARTING YR-MO-DY	ENDING YR-MO-DY	COVERED/REFUNDED/ NONDEDUCTION/MILITARY			
② 59-08-14	61-07-30	Military (Deposit Made)	1	11	17
61-10-03	62-08-06	Deposit		10	4
62-08-07	90-09-03	Covered	28	0	27
③	TOTAL CIVILIAN/MILITARY		29	21	48
④	UNUSED SICK LEAVE *		1	0	3
⑤	TOTAL CREDITABLE SERVICE		30	21	51
⑥	TOTAL SERVICE FOR COMPUTATION PURPOSES		31	10	

* For FERS transferee use lesser of amount at date of transfer or date of retirement. Do not

complete for FERS only or deferred retirements.

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 5:
(Cont.)**

CSRS NONDISABILITY ANNUITY COMPUTATION

EMPLOYEE ANNUITY COMPUTATION

High-3 Average Pay ⑦	\$ 33,947.00
Retirement Factor (31) yrs (10) mos (See section 50C1.1-1, Chart 4)	x .599167
Unreduced CSRS Annuity	\$ 20,339.92
Reductions are made for: ⑧	
1) Under age 55 (See section 50C1.1-1, Chart 5)	x .923333
Reduced Annuity	\$ 18,780.52
2) Non-deposit for service prior to 10-1-82 (subtract 10% of deposit due)	- 100.30
Reduced Annuity	\$ 18,680.22
3) Survivor Annuity:	
Base selected by retiree \$ <u>3,600.00</u>	
Amount up to \$3600 - <u>3,600.00</u> x .025 = \$ <u>90.00</u>	
Amount over \$3600 = _____ x .10 = + _____	
Total Reduction = \$90.00	- 90.00
Annual Annuity	\$ 18,590.22
MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)	\$ 1,549.00

SURVIVOR ANNUITY COMPUTATION ⑨

Amount designated as survivor base	\$ 3,600.00
Spouse or former spouse entitled to 55% of survivor base	x .55
Annual Survivor Annuity	\$ 1,980.00
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)	\$ 165.00

Example 6: CSRS purchase of additional annuity and survivor annuity with voluntary contributions:

Using Example 2 as a guide, Alan Jay retires optionally on 10-30-88 with a monthly annuity of \$1,594. He has a voluntary contributions (VC) account balance of \$15,500 including interest. Alan has two options at retirement to dispose of his voluntary contributions account:

- Receive a refund of the entire account balance including interest in one lump sum; or
- Receive a lifetime annuity in addition to his regular retirement annuity. Note: VC monthly annuities do not receive cost-of-living adjustments (COLA's) in the future. However, regular annuities do.

Alan Jay chooses to receive a lifetime annuity plus an additional survivor annuity for his spouse (spouse's date of birth: 11-19-31).

① Compute age at separation:

$$\begin{array}{r}
 31 \\
 88 - 10 - 30 \quad (\text{Date of Separation}) \\
 - 29 - 04 - 29 \quad (\text{Date of Birth}) \\
 \hline
 59 - 06 - 02 \quad (\text{Age at Separation})
 \end{array}$$

② Compute total full years over age 55:

$$\begin{array}{r}
 03 \\
 59 - 06 - 02 \quad (\text{Age at Separation}) \\
 - 55 - 00 - 00 \\
 \hline
 4 - 06 - 03 \quad (\text{Full Years over Age 55})
 \end{array}$$

③ Compute additional amount to be added to the additional annuity.

- a. Enter the full years over age 55 (4).
- b. Multiply \$0.20 by 4 years to obtain \$0.80.
- c. Add \$0.80 to \$7.00 to obtain the additional amount to be added to the additional annuity (\$7.80).

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 6:
(Cont.)**

- ④ Compute the unreduced annual additional amount of annuity. Compute each \$100 in the voluntary contributions account (including interest earned) that will provide an additional annuity per year multiplied by the amount computed in step 3 (\$7.80).
- a. Enter the total amount of the voluntary contributions account (\$15,500).
 - b. Divide the voluntary contributions (\$15,500) by \$100 (\$155).
 - c. Compute the additional annuity by multiplying the amount in item 2 (\$155) by \$7.80 to obtain the unreduced annual additional annuity of \$1,209.
- ⑤ Compute the additional annuity amount payable. Alan Jay provided a survivor annuity based on his regular annuity, and he will provide a survivor annuity based on his additional annuity.
- a. Enter the unreduced annual additional annuity from part 4 above (\$1,209).
 - b. Compute the number of full years age difference between Alan Jay's age and the age of the person designated to receive the survivor annuity.

$$\begin{array}{r}
 50 \\
 10 - 20 \\
 31 - 11 - 19 \quad (\text{Survivor's Date of Birth}) \\
 - 29 - 04 - 29 \quad (\text{Retiree's Date of Birth}) \\
 \hline
 2 - 06 - 21 \quad (\text{Number of Full Years Difference})
 \end{array}$$

- c. Using the table below, obtain the percent to be used for the reduction for the survivor annuity. In this example, the reduction for the survivor annuity is 10 percent because the survivor is 2 years **younger** than the retiree:

Age of Person Named in Relation to That of Retiring Employee	Reduction in Annuity of Retiring Employee
	(Percent)
Older, same age, or less than 5 years younger	10
5 but less than 10 years younger	15
10 but less than 15 years younger	20
15 but less than 20 years younger	25
20 but less than 25 years younger	30
25 but less than 30 years younger	35
30 or more years younger	40

**Example 6:
(Cont.)**

- d. To compute the additional survivor annuity reduction, enter the unreduced annual additional annuity (\$1,209). Multiply \$1,209 by 10 percent (survivor is 2 years younger than the retiree) to obtain the amount of the survivor reduction (\$120.90).
 - e. Subtract the amount of the survivor reduction (\$120.90) from the unreduced annual additional annuity (\$1,209) to obtain the reduced annual additional annuity (\$1,088.10).
 - f. Compute the reduced monthly additional annuity by dividing \$1,088.10 by 12 and rounding to the next lower dollar (\$90).
- ⑥ Compute the additional survivor annuity. The additional survivor annuity is equal to 50 percent of the reduced annual additional annuity. Any person, related or unrelated to the employee, may be designated as the survivor, and need not be the same person for whom regular survivor annuity benefits were elected.
- a. Enter the reduced annual additional annuity from part 5 (\$1,088.10).
 - b. Multiply the reduced annual additional annuity (\$1,088.10) by 50 percent to obtain the annual additional survivor annuity (\$544.05).
 - c. To compute the monthly additional survivor annuity (\$45), divide the annual additional survivor annuity (\$544.05) by 12 and round to the next lower dollar.

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 6:
(Cont.)**

VOLUNTARY CONTRIBUTIONS COMPUTATION

NAME: Alan Jay

Part 1	Part 2
YR - MO - DY	YR - MO - DY
Date of Retirement:	Date of Retirement:
88 - 10 - 30 ³¹	59 - 06 - 02 ⁰³
Date of Birth:	- Age 55:
29 - 04 - 29	55 - 00 - 00
Age at Separation:	Full Years over Age 55:
59 - 06 - 02	04 - 06 - 03

Part 3	
Full Years over Age 55:	\$7 per \$100 voluntary contributions
$\begin{array}{r} \underline{\quad 4} \\ \times \underline{\$0.20} \\ \hline = \underline{\quad .80} \end{array}$	\$7.00
AMOUNT ADDED TO ADDITIONAL ANNUITY	+
	.80
	\$ 7.80

Part 4	
Voluntary Contributions (total account balance)	\$ 15,500.00
÷	\$100.00
	\$ 155.00
Amount added to additional annuity (from Part 3)	X \$ 7.80
UNREDUCED ANNUAL ADDITIONAL ANNUITY	\$ 1,209.00

**Example 6:
(Cont.)**

VOLUNTARY CONTRIBUTIONS COMPUTATION

Part 5 ADDITIONAL ANNUITY AMOUNT PAYABLE

Unreduced Annual Additional Annuity (from Part 4)	\$ 1,209.00
Additional Survivor Annuity Reduction:	
Unreduced Annual Additional Annuity \$ <u>1,209.00</u> (Percent/Age Difference) x <u> .10</u>	
Total reduction \$ <u> 120.90</u>	- 120.90
Reduced Annual Additional Annuity	\$ 1,088.10
REDUCED MONTHLY ADDITIONAL ANNUITY (Divide by 12, round down to next lower dollar)	\$ 90.00

Part 6 ADDITIONAL SURVIVOR ANNUITY

Reduced Annual Additional Annuity	\$ 1,088.10
Survivor entitled to 50%	x .50
Annual Additional Survivor Annuity	\$ 544.05
MONTHLY ADDITIONAL SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)	\$ 45.00

**Computation of Annuity
Under the General Formula
Chapter 50**

Example 7: CSRS deferred retirement, with survivor benefits based on the full annuity:

Name:	Bill Simms	
Date of Birth:	8-4-1943	
Date of Separation:	11-2-1990	
Commencing Date of Annuity:	8-4-2005	(age 62)
Service History:	3-17-1977 to 11-2-1990	Covered
Unused Sick Leave as of Date of Separation:	244 hours	
High-3 Average Pay on Date of Separation:	\$34,890	
Survivor Benefits:	Based on Full Annuity	

- ① Compute age on commencing date of annuity.

05	
2005 - 08 - 04	(Commencing Date of Annuity)
- 1943 - 08 - 04	(Date of Birth)
<u>62 - 00 - 01</u>	(Age on Commencing Date of Annuity)

- ② Compute total service for computation purposes. Enter each period of service by following the steps below.

- a. Enter the first beginning date of creditable service (3-17-77) in column A.
- b. Enter the last day of the period of service (11-2-90) in column B.
- c. Determine whether the period of service is:

- i. Covered: Retirement deductions were withheld

NOTE: Periods of LWOP in excess of 6 months in a calendar year are not creditable. (See Chapter 20 for more information about creditable service.)

- ii. Nondeduction: Retirement deductions were not withheld

**Example 7:
(Cont.)**

NOTE: Determine if nondeduction service occurred on or after October 1, 1982, and whether or not a deposit for the service has been made. If the nondeduction service was performed on or after October 1, 1982, and deposit is not made, the service counts toward eligibility to retire and to determine the high-3 average pay, but is not included in the length of service computation. If nondeduction service was performed before October 1, 1982, and deposit is not made, the basic annual annuity is reduced by 10 percent of deposit plus interest owed. (See Chapter 21 for additional information.)

iii. Refunded: Retirement deductions were withheld and refunded

NOTE: If a redeposit for the refunded service is not made, service can be used to determine the high-3 average pay, but is not included in the length of service computation. **EXCEPTION:** If the employee owes a redeposit for a refund of retirement contributions covering a period of service that ended before October 1, 1990, that service **is** included in the length of service computation, but the annuity is reduced. (See section 50A3.1-3.)

iv. Military: Military service that is creditable for retirement purposes

NOTE: See Chapter 22 for more information.

v. Part-time service: See Chapter 55

d. Subtract column B from column A to determine the total service during that period:

$$\begin{array}{r}
 33 \\
 10 \ 03 \\
 90 - 11 - 02 \\
 - 77 - 03 - 17 \\
 \hline
 13 - 07 - 16 \quad (13 \text{ years } 7 \text{ months } 16 \text{ days})
 \end{array}$$

e. Follow steps a through d for subsequent periods of service.

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 7:
(Cont.)**

- ③ Total the civilian and military periods of service in column D.
- ④ Unused sick leave to the employee's credit on date of separation is not creditable toward the computation of a deferred annuity.
- ⑤ Total creditable service is equal to the total civilian and military periods of service in column D (13 years 7 months 16 days).
- ⑥ Compute the total service for computation purposes (13 years 7 months) by using whole years and months and dropping any extra days.
- ⑦ Compute the unreduced CSRS annuity.
 - a. Enter the high-3 average pay (\$34,890).
 - b. Enter the years and months of total service for computation purposes (13 years 7 months).
 - c. Use the CSRS General Formula Computation Chart (Chart 4) provided in section 50C1.1-1 to obtain the retirement factor for 13 years 7 months service (.234167).
 - d. Multiply the high-3 average pay (\$34,890) by the retirement factor (.234167) to obtain the unreduced CSRS annuity (\$8,170.09).
- ⑧ Compute the annuity amount payable.
 - a. Enter the base selected by the retiree for the survivor annuity. (In this example, the retiree has selected the full annuity as the base, or \$8,170.09)
 - b. Multiply the first \$3,600 of the base selected by 2.5 percent to obtain \$90.
 - c. Multiply the remainder over \$3,600 (\$4,570.09) by 10 percent to obtain \$457.01.
 - d. Total the reduction for survivor annuity (\$547.01).

**Example 7:
(Cont.)**

- e. Subtract the total reduction for survivor annuity (\$547.01) from the unreduced CSRS annuity (\$8,170.09) to obtain the annual annuity amount payable (\$7,623).
- f. Divide the annual annuity amount payable (\$7,623) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$635).
- ⑨ Compute the survivor annuity.
 - a. Multiply the amount designated as the survivor base (\$8,170.09) by 55 percent to obtain the annual survivor rate (\$4,493.55).
 - b. Divide the annual survivor rate (\$4,493.55) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$374).

**Example 7:
(Cont.)**

CSRS NONDISABILITY ANNUITY COMPUTATION

EMPLOYEE ANNUITY COMPUTATION

High-3 Average Pay ⑦	\$ 34,890.00
Retirement Factor (13) yrs. (7) mos. (See section 50C1.1-1, Chart 4)	x .234167
Unreduced CSRS Annuity	\$ 8,170.09
Reductions are made for: ⑧	
1) Under age 55 (See section 50C1.1-1, Chart 5)	x NA
Reduced Annuity	\$ NA
2) Non-deposit for service prior to 10-1-82 (subtract 10% of deposit due)	- NA
Reduced Annuity	\$ NA
3) Survivor Annuity:	
Base selected by retiree \$8,170.09 Amount up to \$3600 - 3,600.00 = \$ 90.00 Amount over \$3600 = 4,570.09 x .10 = + 457.01	
Total Reduction =	\$547.01
Annual Annuity	\$ 7,623.08
MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)	\$ 635.00

SURVIVOR ANNUITY COMPUTATION ⑨

Amount designated as survivor base	\$ 8,170.09
Spouse or former spouse entitled to 55% of survivor base	x .55
Annual Survivor Annuity	\$ 4,493.55
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)	\$ 374.00

Section 50C1.1-3 FERS Examples

The examples in this section demonstrate the correct procedures for computing annuity estimates. Each example consists of an explanatory text that refers to a completed work sheet immediately following the text for that example. The circled numbers in the text correspond to circled numbers on the work sheet.

Most of the information needed to perform annuity estimates should be readily available to the employing agency through sources such as the Official Personnel Folder and payroll records. Occasionally, the employing agency may need to contact OPM for certain kinds of information concerning prior employment, unless the employee can provide accurate information from personal records. For example, information about refunds of retirement contributions or deposits for military service might not be available at the current employing agency.

Example 1: FERS optional retirement, with survivor annuity:

Name:	Chris Morgan	
Date of Retirement:	7-30-2024	
Date of Birth:	3-15-1964	
Military Service:	12-30-1982 to 3-29-1986	Deposit Paid
Civilian Service:	5-23-1994 to 5-22-1997	Covered
	8-15-1999 to 7-30-2024	Covered
High-3 Average Pay:	\$53,221	
Survivor Benefits:	Based on Full Annuity	

- ① Compute age at separation to determine eligibility for retirement and whether a reduction for age must be applied to the annuity:

	31	
	2024 - 07 - 30	(Date of Retirement)
-	1964 - 03 - 15	(Date of Birth)
	60 - 04 - 16	(Age at Separation)

- ② Compute total service for computation purposes. Enter each period of service by following the steps below.
- a. Enter the first appointment date of creditable service (12-30-82) in column A.
 - b. Enter the last day of the period of service (3-29-86) in column B.

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 1:
(Cont.)**

c. Determine whether the period of service is:

i. Covered: Retirement deductions were withheld

NOTE: Periods of LWOP in excess of 6 months in a calendar year are not creditable. (See Chapter 20 for more information about creditable covered service.)

ii. Nondeduction: Retirement deductions were not withheld

NOTE: Under FERS, nondeduction service performed prior to January 1, 1989, is creditable only if a deposit is made for the service. Nondeduction service performed on or after January 1, 1989, is not creditable. (See Chapter 21 for additional information about service credit payments for civilian service.)

iii. Refunded: Retirement deductions were withheld and refunded

NOTE: Redeposit cannot be made for FERS service. Refunded service is not creditable for either eligibility or computation purposes.

iv. Military: Military service that is creditable for retirement purposes

NOTE: See Chapter 22 for more information.

v. Part-time service: See Chapter 55

d. Subtract column B from column A to determine the total service during that period:

$$\begin{array}{r} 85 - 15 - 30 \\ 86 - \del{03} - \del{29} \\ - \del{82} - 12 - 30 \\ \hline 03 - 03 - 00 \end{array} \quad (3 \text{ years } 3 \text{ months})$$

e. Follow steps a through d for subsequent periods of service.

③ Total the civilian and military periods of service in column D.

NOTE: Military service creditable only if deposit is made.

**Example 1
(Cont.)**

- ④ Compute the total service for computation purposes (31 years 2 months) by using whole years and months and dropping any extra days.
- ⑤ Compute the unreduced FERS basic annuity.
 - a. Enter the high-3 average pay (\$53,221).
 - b. Enter the years and months of total service for computation purposes (31 years 2 months).
 - c. Use the FERS 1 Percent Accrual Factor Chart (Chart 6) provided in section 50C1.1-1 to obtain the retirement factor for 31 years 2 months service (.311667).
 - d. Multiply the high-3 average pay (\$53,221) by the retirement factor (.311667) to obtain the unreduced FERS basic annuity (\$16,587.23).
- ⑥ Compute the annuity amount payable.

NOTE: In this example, there is no age reduction since the retiree is age 60 with 30 years of service.

- a. Enter the base selected by the retiree for the survivor annuity (\$16,587.23).
 - b. Multiply the base selected (\$16,587.23) by 10 percent to obtain the total survivor reduction (\$1,658.72).
 - c. Subtract the total survivor reduction (\$1,658.72) from the basic annuity (\$16,587.23) to obtain the annual annuity (\$14,928.51).
 - d. Divide the annual annuity (\$14,928.51) by 12 and round to the next lower dollar to obtain the monthly annuity amount payable (\$1,244).
- ⑦ Compute the survivor annuity.
 - a. Multiply the amount designated as the survivor base (\$16,587.23) by 50 percent to obtain the annual survivor rate (\$8,293.62).
 - b. Divide the annual survivor rate (\$8,293.62) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$691).

NOTE: Chris Morgan is eligible for the FERS Annuity Supplement until he reaches age 62. See Chapter 51 for eligibility requirements and computation of the retiree annuity supplement.

**Computation of Annuity
Under the General Formula
Chapter 50**

FERS

**Example 1:
(Cont.)**

**FERS BASIC ANNUITY COMPUTATION
NONDISABILITY**

EMPLOYEE ANNUITY COMPUTATION

High-3 Average Pay ⑤	\$ 53,221.00
Retirement Factor (31) yrs. (2) mos. (See section 50C1.1-1, Chart 6 or 7)	x .311667
Unreduced FERS Basic Annuity	\$ 16,587.23
Reductions are made for: ⑥	
1) Under age 62 (not 60/20 or MRA/30)	x NA
Reduced Annuity	\$ NA
2) Survivor Annuity:	
Base selected by retiree \$ <u>16,587.23</u>	
x <u> .10</u>	
Total reduction \$ <u>1,658.72</u>	
	- 1,658.72
Annual Annuity	\$ 14,928.51
MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)	\$ 1,244.00

SURVIVOR ANNUITY COMPUTATION ⑦

Amount designated as survivor base	\$ 16,587.23
Spouse or former spouse entitled to 50% of survivor base	x .50
Annual Survivor Annuity	\$ 8,293.62
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)	\$ 691.00

**Computation of Annuity
Under the General Formula
Chapter 50**

Example 2: FERS MRA + 10 optional retirement, with nondeduction service, refunded service, and survivor annuity using one-half as base:

Name:	Lea Williams		
Date of Retirement:	9-30-2033		
Date of Birth:	9-10-1975		
Active Military Service:	None		
Civilian Service:	8-23-1998 to 10-31-1999	Nondeduction	
		Service	
	5-04-2002 to 11-27-2008	Refunded Service	
	3-15-2020 to 9-30-2033	Covered	
High-3 Average Pay:	\$93,781		
Survivor Benefits:	One-Half Annuity as Base		

- ① Compute age at separation to determine eligibility for retirement and whether a reduction for age must be applied to the annuity:

31	
2033 - 09 - 30	(Date of Separation)
- <u>1975 - 09 - 10</u>	(Date of Birth)
58 - 00 - 21	(Age at Separation)

- ② Compute total service for computation purposes. Enter each period of service by following the steps below.

- a. Enter the appointment date (8-23-98) of the first period of service in column A.
- b. Enter the last day of the period of service (10-31-99) in column B.
- c. Determine whether the period of service is:

- i. Covered: Retirement deductions were withheld

NOTE: Periods of LWOP in excess of 6 months in a calendar year are not creditable. (See Chapter 20 for more information about creditable covered service.)

**Computation of Annuity
Under the General Formula
Chapter 50**

FERS**Example 2:
(Cont.)**

ii. Nondeduction: Retirement deductions were not withheld

NOTE: Under FERS, nondeduction service performed prior to January 1, 1989, is creditable only if a deposit is made for the service. Nondeduction service performed on or after January 1, 1989, is not creditable. (See Chapter 21 for additional information about service credit payments for civilian service.)

iii. Refunded: Retirement deductions were withheld and refunded

NOTE: Redeposit cannot be made for FERS service. Refunded service is not creditable for either eligibility or computation purposes.

iv. Military: Military service that is creditable for retirement purposes

NOTE: See Chapter 22 for more information.

v. Part-time service: See Chapter 55

d. Follow steps a through c for subsequent periods of service.

e. For creditable periods of service only, subtract column B from column A to determine the total service during those periods:

$$\begin{array}{r}
 31 \\
 2033 - 09 - \cancel{30} \\
 - 2020 - 03 - \underline{15} \\
 \hline
 13 - 06 - 16 \quad (13 \text{ years } 6 \text{ months } 16 \text{ days})
 \end{array}$$

NOTE: Enter the periods of nondeduction service (8-23-98 to 10-31-99) and refunded service (5-4-2002 to 11-27-2008), but do not include these periods in computing the amount of the retiree's service because they are not creditable for retirement or computation purposes. See Chapter 20 about the rules for creditable service under FERS.

③ Total the creditable civilian and military periods of service in column D.

**Example 2:
(Cont.)**

- ④ Enter the total service for computation purposes (13 years 6 months), using whole years and months and dropping any extra days.
- ⑤ Compute the unreduced FERS basic annuity.
 - a. Enter the high-3 average pay (\$93,781).
 - b. Enter the years and months of total service for computation purposes (13 years 6 months).
 - c. Use the FERS 1 Percent Accrual Factor Chart (Chart 6) provided in section 50C1.1-1 to obtain the retirement factor for 13 years 6 months service (.135000).
 - d. Multiply the high-3 average pay (\$93,781) by the retirement factor (.135000) to obtain the unreduced FERS basic annuity (\$12,660.44).
- ⑥ Compute the annuity amount payable.
 - a. Use the FERS 5 Percent Age Reduction Chart (Chart 8) provided in section 50C1.1-1 to obtain the reduction factor for the age on the annuity commencing date (58 years and 0 months) = .804167.
 - b. Multiply the reduction factor (.804167) by the basic annuity (\$12,660.44) to obtain the reduced annuity (\$10,181.11).
 - c. Enter the base selected by the retiree for the survivor annuity (\$10,181.11 x 50 percent = \$5,090.56).
 - d. Multiply the base selected (\$5,090.56) by 10 percent to obtain the total survivor reduction (\$509.06).
 - e. Subtract the total survivor reduction (\$509.06) from the reduced annuity (\$10,181.11) to obtain the annual annuity (\$9,672.05).
 - f. Divide the annual annuity (\$9,672.05) by 12 and round to the next lower dollar to obtain the monthly annuity amount payable (\$806).

**Example 2:
(Cont.)**

- ⑦ Compute the survivor annuity.
- a. Multiply the amount designated as the survivor base (\$5,090.56) by 50 percent to obtain the annual survivor rate (\$2,545.28).
 - b. Divide the annual survivor rate (\$2,545.28) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$212).

NOTE: Lea Williams is eligible for the FERS Annuity Supplement until she reaches age 62. See Chapter 51 for eligibility requirements and computation of the FERS annuity supplement.

**Computation of Annuity
Under the General Formula
Chapter 50**

FERS

**Example 2:
(Cont.)**

**FERS BASIC ANNUITY COMPUTATION
NONDISABILITY**

EMPLOYEE ANNUITY COMPUTATION

High-3 Average Pay ⑤	\$ 93,781.00
Retirement Factor (13) yrs. (6) mos. (See section 50C1.1-1, Chart 6 or 7)	x .135000
Unreduced FERS Basic Annuity	\$ 12,660.44
Reductions are made for: ⑥	
1) Under age 62 (not 60/20 or MRA/30)	x .804167
Reduced Annuity	\$ 10,181.11
2) Survivor Annuity:	
Base selected by retiree \$ <u>5,090.56</u> (full or one-half)	
x <u>.10</u>	
Total reduction \$ <u>509.06</u>	
	- 509.06
Annual Annuity	\$ 9,672.05
MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)	\$ 806.00

SURVIVOR ANNUITY COMPUTATION ⑦

Amount designated as survivor base	\$ 5,090.56
Spouse or former spouse entitled to 50% of survivor base	x .50
Annual Survivor Annuity	\$ 2,545.28
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)	\$ 212.00

**Computation of Annuity
Under the General Formula
Chapter 50**

Example 3: FERS transfer employee, optional retirement, with survivor benefits based on full annuity:

Name:	Travis James		
Date of Retirement:	7-31-2005		
Date of Birth:	6-8-1942		
Military Service:	9-14-1962 to 7-11-1970	Deposit Paid	
Civilian Service:	7-8-1981		
	Career Appointment (CSRS)		
	7-5-87	Transfer (FERS)	
	7-31-2005	Retired	
Unused Sick Leave:	Date of Transfer = 1500 hours		
	Date of Retirement = 483 hours		
High-3 Average Pay:	\$48,000		
Survivor Benefits:	Based on Full Annuity		

- ① Compute age at separation to determine eligibility for retirement and whether a reduction for age must be applied to the annuity:

2005 - 07 - 31	(Date of Retirement)
- 1942 - 06 - 08	(Date of Birth)
63 - 01 - 23	(Age of Separation)

- ② Compute CSRS service for computation purposes. Enter each period of service by following the steps below.
- Enter the first appointment date of creditable service (9-14-62) in column A.
 - Enter the last day of the period of service (7-11-70) in column B.
 - Determine whether the period of service is:

i. Covered: Retirement deductions were withheld

NOTE: Periods of LWOP in excess of 6 months in a calendar year are not creditable. (See Chapter 20 for more information about creditable covered service.)

**Computation of Annuity
Under the General Formula
Chapter 50**

FERS**Example 3:
(Cont.)**

ii. Nondeduction: Retirement deductions were not withheld

NOTE: Under CSRS, determine if nondeduction service occurred on or after October 1, 1982, and whether or not a deposit for the service has been made. If the nondeduction service was performed on or after October 1, 1982, and deposit is not made, the service counts toward eligibility to retire but is not used to compute the retirement benefit. If nondeduction service was performed before October 1, 1982, and deposit is not made, the basic annual CSRS annuity is reduced by 10 percent of deposit plus interest owed. (See Chapter 21 for additional information.)

iii. Refunded: Retirement deductions were withheld and refunded

NOTE: Under CSRS, if a redeposit for the refunded service is not made, the service counts toward eligibility to retire but is not used to compute the retirement benefit. EXCEPTION: If the employee owes a redeposit for a refund of retirement contributions covering a period of service that ended before October 1, 1990, that service is included in the computation, but the annuity is reduced. (See section 50A3.1-3.)

iv. Military: Military service that is creditable for retirement purposes

NOTE: See Chapter 22 for more information.

v. Part-time service: See Chapter 55

d. Subtract column B from column A to determine the total service during that period:

	18 - 42	
	69 - 06 - 12	
	70 - 07 - 11	
-	<u>62 - 09 - 14</u>	
	07 - 09 - 28	(7 years 9 months 28 days)

e. Follow steps a through d for subsequent periods of CSRS service through the day before the date of transfer (7-4-87).

**Example 3:
(Cont.)**

- ③ Total the civilian and military periods of service in column D.
- ④ Determine how much credit is allowed for unused sick leave by using the 2087 Sick Leave Chart (Chart 2) provided in section 50C1.1-1:

483 hours = 2 months 24 days

NOTE: Creditable sick leave applied to the CSRS component for a FERS transferee is the lesser of the balance accrued effective on:

- The date of transfer to FERS; or
- The date of retirement.

- ⑤ Compute the total CSRS creditable service by adding the unused sick leave (2 months 24 days) to the total civilian and military periods of service.
- ⑥ Enter the total CSRS service for computation purposes (14 years 0 months) by using whole years and months and dropping any extra days.
- ⑦ Compute FERS service for computation purposes.
 - a. Enter periods of creditable service beginning with the date of transfer (7-5-87).
 - b. Determine whether the period of service is:

i. Covered: Retirement deductions were withheld

NOTE: Periods of LWOP in excess of 6 months in a calendar year are not creditable. (See Chapter 20 for more information about creditable covered service.)

ii. Nondeduction: Retirement deductions were not withheld

NOTE: Under FERS, nondeduction service performed prior to January 1, 1989, is creditable only if a deposit is made for the service. Nondeduction service performed on or after January 1, 1989, is not creditable. (See Chapter 21 for additional information about service credit payments for civilian service.)

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 3:
(Cont.)**

iii. Refunded: Retirement deductions were withheld and refunded

NOTE: Redeposit cannot be made for FERS service. Refunded service is not creditable for either eligibility or computation purposes.

iv. Military: Military service that is creditable for retirement purposes

NOTE: See Chapter 22 for more information.

v. Part-time service: See Chapter 55

- c. Total the civilian and military periods of service in column D (18 years 0 months 27 days). No credit for unused sick leave is applied to the FERS service.
- d. Enter the total service for computation purposes (18 years 0 months) by using whole years and months and dropping any extra days.
- ⑧ Compute the CSRS basic annuity benefit.
- a. Enter the high-3 average pay (\$48,000).
- b. Enter the years and months of CSRS service from step 6 above (14 years 0 months).
- c. Use the CSRS General Formula Computation Chart provided in section 50C1.1-1 to obtain the retirement factor for 14 years 0 months service (.242500).
- d. Multiply the high-3 average pay (\$48,000) by the retirement factor (.242500) to obtain the CSRS earned annuity benefit (\$11,640).

NOTE: In this example, there is no reduction for retirement under age 55 or unpaid deposit, and the post-1956 military service credit payment was made. Therefore, \$11,640 is the CSRS annuity amount payable.

- ⑨ Compute the FERS basic annuity benefit.
- a. Enter the high-3 average pay (\$48,000).

**Example 3:
(Cont.)**

- b. Enter the years and months of FERS service from step 7 (18 years 0 months).
- c. Use the FERS 1.1 Percent Accrual Factor Chart (Chart 7) to obtain the retirement factor for 18 years 0 months service (.198000). In this example, the employee is entitled to the 1.1 percent accrual (instead of 1 percent) because he is at least age 62, and has at least 20 years of service. (See section 50B3.1-1B.)
- d. Multiply the retirement factor (.198000) by the high-3 average pay (\$48,000) to obtain the FERS earned basic annuity benefit (\$9,504).

⑩ Compute the combined total basic annuity amount payable.

- a. Add the FERS basic annuity from step 9 (\$9,504) to the CSRS basic annuity from step 8 (\$11,640) to obtain the total unreduced basic annuity (\$21,144).

NOTE: In this example, there is no reduction for retirement before age 62 because Travis was age 63 on the commencing date of annuity with more than 20 years service.

- b. Enter the base selected by the retiree for the survivor annuity (\$21,144).
- c. Multiply the base selected (\$21,144) by 10 percent, which is the total survivor reduction (\$2,114.40).
- d. Subtract the total survivor reduction (\$2,114.40) from the total unreduced basic annuity (\$21,144) to obtain the annual basic annuity (\$19,029.60).
- e. Divide the annual basic annuity (\$19,029.60) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$1,585).

⑪ Compute the survivor annuity.

- a. Multiply the amount designated as the survivor base (\$21,144) by 50 percent to obtain the annual survivor rate (\$10,572).
- b. Divide the annual survivor rate (\$10,572) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$881).

**Computation of Annuity
Under the General Formula
Chapter 50**

FERS

**Example 3:
(Cont.)**

COMPUTATION OF SERVICE CREDIT

YR MO DY

NAME: Travis James

DATE OF RETIREMENT: 2005 - 07 - 31

DATE OF BIRTH: 1942 - 06 - 08 ①

AGE: 63 - 01 - 23

TYPE OF SERVICE SHOWN
<input type="checkbox"/> G CSRS
<input type="checkbox"/> G FERS
<input checked="" type="checkbox"/> CSRS COMPONENT OF FERS TRANSFEREE

A	B	C	D (Do not list noncreditable periods of service)		
STARTING YR-MO-DY	ENDING YR-MO-DY	COVERED/REFUNDED/ NONDEDUCTION/MILITARY	YRS	MOS	DAYS
② 62-09-14	70-07-11	Military (Deposit Paid)	7	9	28
81-07-08	87-07-04	Covered	5	11	27
③ TOTAL CIVILIAN/MILITARY			12	20	55
④ UNUSED SICK LEAVE *				2	24
⑤ TOTAL CREDITABLE SERVICE			12	22	79
⑥ TOTAL SERVICE FOR COMPUTATION PURPOSES			14	0	

* For FERS transferee use lesser of amount at date of transfer or date of retirement. Do not complete for FERS only or deferred retirements.

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 3:
(Cont.)**

COMPUTATION OF SERVICE CREDIT

YR MO DY

NAME: Travis James

DATE OF RETIREMENT: 2005 - 07 - 31

DATE OF BIRTH: 1942 - 06 - 08

AGE: 63 - 01 - 23

TYPE OF SERVICE SHOWN
<input type="checkbox"/> CSRS
<input checked="" type="checkbox"/> FERS
<input type="checkbox"/> CSRS COMPONENT OF FERS TRANSFEREE

A	B	C	D (Do not list noncreditable periods of service)		
STARTING YR-MO-DY	ENDING YR-MO-DY	COVERED/REFUNDED/ NONDEDUCTION/MILITARY	YRS	MOS	DAYS
⑦ 1987-07-05	2005-07-31	Covered	18	0	27
TOTAL CIVILIAN/MILITARY					
UNUSED SICK LEAVE *					
TOTAL CREDITABLE SERVICE			18	0	27
TOTAL SERVICE FOR COMPUTATION PURPOSES			18	0	

* For FERS transferee use lesser of amount at date of transfer or date of retirement. Do not complete for FERS only or deferred retirements.

**Example 3:
(Cont.)**

**FERS TRANSFEREE NONDISABILITY
ANNUITY COMPUTATION**

CSRS BASIC ANNUITY COMPUTATION ⑧

High-3 Average Pay	\$ 48,000.00
Retirement Factor (See section 50C1.1-1, Chart 4) for CSRS service (14) yrs. (0) mos.	x .242500
Unreduced CSRS Basic Annuity	\$ 11,640.00
Reductions are made for:	
1) Under age 55 (See Chart 5)	x NA
Reduced CSRS Annuity	\$ NA
2) Non-deposit for service prior to 10-1-82 (Subtract 10% of deposit due)	- NA
REDUCED CSRS ANNUITY	\$ NA

FERS BASIC ANNUITY COMPUTATION ⑨

High-3 Average Pay	\$ 48,000.00
Retirement Factor (See section 50C1.1-1, Chart 6 or 7) for FERS service (18) yrs. (0) mos.	x .198000
UNREDUCED FERS BASIC ANNUITY	\$ 9,504.00

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 3:
(Cont.)**

**FERS TRANSFEREE NONDISABILITY
ANNUITY COMPUTATION**

TOTAL BASIC ANNUITY COMPUTATION (10)

Unreduced FERS Basic Annuity \$9,504.00 + Reduced CSRS Annuity \$11,640.00	\$ 21,144.00
Reductions are made for:	
1) Under age 62 (not 60/20 or MRA/30) (See section 50C1.1-1, Chart 8)	x NA
Reduced Annuity	\$ 21,144.00
2) Survivor Annuity:	
Base selected by retiree \$ 21,144.00 (full or one-half)	
x .10	
Total reduction \$ 2,114.40	
	- 2,114.40
Annual Annuity	\$ 19,029.60
MONTHLY BASIC ANNUITY (Divide by 12, round down to next lower dollar)	\$ 1,585.00

SURVIVOR ANNUITY COMPUTATION (11)

Survivor Base Selected (full or one-half)	\$ 21,144.00
Spouse or former spouse entitled to 50% of survivor base	x .50
Annual Survivor Annuity	\$ 10,572.00
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)	\$ 881.00

**Computation of Annuity
Under the General Formula
Chapter 50**

FERS

Example 4: FERS transfer employee, discontinued service retirement, with reduction for age in CSRS component and survivor benefits based on full annuity:

Name:	Toby Kay	
Date of Retirement:	8-9-89	Job Abolishment
Date of Birth:	6-8-40	
Military Service:	9-4-60 to 12-1-65	Deposit Paid
Civilian Service:	8-15-68	Career Appointment (CSRS)
	7-5-87	Transfer to FERS
	8-9-89	Retirement
Unused Sick Leave:	Date of Transfer = 680 hours	
	Date of Retirement = 720 hours	
High-3 Average Pay:	\$72,000	
Survivor Benefits:	Based on Full Annuity	

- ① Compute age at separation to determine eligibility for retirement and whether a reduction for age must be applied to the CSRS component of the annuity:

10	
89 - 08 - 09	(Date of Retirement)
- 40 - 06 - 08	(Date of Birth)
49 - 02 - 02	(Age at Separation)

- ② Compute CSRS service for computation purposes. Enter each period of service by following the steps below:
- a. Enter the first appointment date of creditable service (9-4-60) in column A.
 - b. Enter the last day of the period of service (12-1-65) in column B.
 - c. Determine whether the period of service is:
 - i. Covered: Retirement deductions were withheld

NOTE: Periods of LWOP in excess of 6 months in a calendar year are not creditable. (See Chapter 20 for more information about creditable covered service.)

**Example 4:
(Cont.)**

ii. Nondeduction: Retirement deductions were not withheld

NOTE: Under CSRS, determine if nondeduction service occurred on or after October 1, 1982, and whether or not a deposit for the service has been made. If the nondeduction service was performed on or after October 1, 1982, and deposit is not made, the service counts toward eligibility to retire and to determine the high-3 average pay, but is not included in the length of service computation. If nondeduction service was performed before October 1, 1982, and deposit is not made, the basic annual annuity is reduced by 10 percent of deposit plus interest owed. (See Chapter 21 for additional information.)

iii. Refunded: Retirement deductions were withheld and refunded

NOTE: Under CSRS, if a redeposit for the refunded service is not made, service can be used to determine the high-3 average pay, but is not included in the length of service computation.
EXCEPTION: If the employee owes a redeposit for a refund of retirement contributions covering a period of service that ended before October 1, 1990, that service **is** included in the length of service computation, but the annuity is reduced. (See section 50A3.1-3.)

iv. Military: Military service that is creditable for retirement purposes

NOTE: See Chapter 22 for more information.

v. Part-time service: See Chapter 55

d. Subtract column B from column A to determine the total service during that period:

32	
11 02	
65 - 12 - 01	
- 60 - 09 - 04	
05 - 02 - 28	(5 years 2 months 28 days)

e. Follow steps a through d for subsequent periods of CSRS service until the date of transfer (7-5-87).

**Example 4:
(Cont.)**

- ③ Total the civilian and military periods of service in column D.
- ④ Determine how much credit is allowed for unused sick leave by using the 2087 Sick Leave Chart (Chart 2) provided in section 50C1.1-1:

680 hours = 3 months 28 days

NOTE: Creditable sick leave applied to the CSRS component for a FERS transferee is the lesser of the balance accrued effective on:

- The date of transfer to FERS; or
- The date of retirement.

- ⑤ Compute the total CSRS creditable service (23 years 15 months 76 days) by adding the unused sick leave (3 months 28 days) to the total civilian and military periods of service (23 years 12 months 48 days).
- ⑥ Compute the total CSRS service for computation purposes (24 years 5 months) by using whole years and months and dropping any extra days.
- ⑦ Compute FERS service for computation purposes.
- a. Enter periods of creditable service beginning with the date of transfer (July 5, 1987).
- b. Determine whether the period of service is:
- i. Covered: Retirement deductions were withheld

NOTE: Periods of LWOP in excess of 6 months in a calendar year are not creditable. (See Chapter 20 for more information about creditable covered service.)

- ii. Nondeduction: Retirement deductions were not withheld

**Example 4:
(Cont.)**

NOTE: Under FERS, nondeduction service performed prior to January 1, 1989, is creditable only if a deposit is made for the service. Nondeduction service performed on or after January 1, 1989, is not creditable. (See Chapter 21 for additional information about service credit payments for civilian service.)

iii. Refunded: Retirement deductions were withheld and refunded

NOTE: Redeposit cannot be made for FERS service. Refunded service is not creditable for either eligibility or computation purposes.

iv. Military: Military service that is creditable for retirement purposes

NOTE: See Chapter 22 for more information.

v. Part-time service: See Chapter 55

- c. Total the creditable service in column D (2 years 1 month 5 days). No credit for unused sick leave is applied to the FERS service.
 - d. Compute the total service for computation purposes (2 years 1 month) by using whole years and months and dropping any extra days.
- ⑧ Compute the CSRS earned annuity benefit.
- a. Enter the high-3 average pay (\$72,000).
 - b. Enter the years and months of CSRS service from step 6 above (24 years 5 months).
 - c. Use the CSRS General Formula Computation Chart (Chart 4) provided in section 50C1.1-1 to obtain the retirement factor for 24 years 5 months service (.450833).
 - d. Multiply the high-3 average pay (\$72,000) by the retirement factor (.450833) to obtain the CSRS earned annuity benefit (\$32,459.98).

**Example 4:
(Cont.)**

- ⑨ Compute the reduced CSRS annuity amount payable.
- a. Use the CSRS 2 Percent Age Reduction Chart (Chart 5) provided in section 50C1.1-1 to obtain the reduction factor for the age at separation (49 years 2 months = .885000).
 - b. Multiply the age reduction factor (.885000) by the unreduced basic CSRS earned annuity (\$32,459.98), to obtain the reduced CSRS annuity (\$28,727.08).
- ⑩ Compute the FERS basic annuity benefit.
- a. Enter the years and months of FERS service from step 7 (2 years 1 month).
 - b. Use the FERS 1 Percent Accrual Factor Chart (Chart 6) provided in section 50C1.1-1 to obtain the retirement factor for 2 years 1 month service (.020833).
 - c. Multiply the retirement factor (.020833) by the high-3 average pay (\$72,000) to obtain the FERS earned basic annuity benefit (\$1,499.98).
- NOTE: There is no reduction for age in the FERS component of a transfer employee retirement computation.
- ⑪ Compute the combined total basic annuity amount payable.
- a. Add the FERS earned annuity from step 10 (\$1,499.98) to the CSRS earned annuity from step 9 (\$28,727.08) to obtain the total unreduced basic annuity (\$30,227.06).
 - b. Enter the base elected by the retiree for the survivor annuity (\$30,227.06).
 - c. Multiply the base selected (\$30,227.06) by 10 percent to obtain the total survivor reduction (\$3,022.71).
 - d. Subtract the total survivor reduction (\$3,022.71) from the total unreduced basic annuity (\$30,227.06), to obtain the annual basic annuity (\$27,204.35).

**Example 4:
(Cont.)**

- e. Divide the annual basic annuity (\$27,204.35) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$2,267).

- ⑫ Compute the survivor annuity.
 - a. Multiply the amount designated as the survivor base (\$30,227.06) by 50 percent to obtain the annual survivor rate (\$15,113.53).
 - b. Divide the annual survivor rate (\$15,113.53) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$1,259).

**Computation of Annuity
Under the General Formula
Chapter 50**

Example 4:
(Cont.)

COMPUTATION OF SERVICE CREDIT

	YR MO DY
	10
NAME: <u>Toby Kay</u>	DATE OF RETIREMENT: <u>89 - 08 - 09</u>
	DATE OF BIRTH: <u>40 - 06 - 08</u>
	AGE: <u>49 - 02 - 02</u>

TYPE OF SERVICE SHOWN

CSRS

FERS

CSRS COMPONENT OF FERS TRANSFEREE

A	B	C	D (Do not list noncreditable periods of service)		
STARTING YR-MO-DY	ENDING YR-MO-DY	COVERED/REFUNDED/ NONDEDUCTION/MILITARY	YRS	MOS	DAYS
⑦ 87-07-05	89-08-09	Covered	2	1	5
TOTAL CIVILIAN/MILITARY					
UNUSED SICK LEAVE *					
TOTAL CREDITABLE SERVICE			2	1	5
TOTAL SERVICE FOR COMPUTATION PURPOSES			2	1	

* For FERS transferee use lesser of amount at date of transfer or date of retirement. Do not complete for FERS only or deferred retirements.

**Example 4:
(Cont.)**

**FERS TRANSFEREE NONDISABILITY
ANNUITY COMPUTATION**

CSRS BASIC ANNUITY COMPUTATION ⑧

High-3 Average Pay	\$ 72,000.00
Retirement Factor (See section 50C1.1-1, Chart 4) for CSRS service (24) yrs. (5) mos.	x .450833
Unreduced CSRS Basic Annuity	\$ 32,459.98
Reductions are made for: ⑨	
1) Under age 55 (See Chart 7)	x .885000
Reduced CSRS Annuity	\$ 28,727.08
2) Non-deposit for service prior to 10-1-82 (Subtract 10% of deposit due)	- .00
REDUCED CSRS ANNUITY	\$ 28,727.08

FERS BASIC ANNUITY COMPUTATION ⑩

High-3 Average Pay	\$ 72,000.00
Retirement Factor (See section 50C1.1-1, Chart 6 or 7) for FERS service (2) yrs (1) mos.	x .020833
UNREDUCED FERS BASIC ANNUITY	\$ 1,499.98

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 4:
(Cont.)**

**FERS TRANSFEREE NONDISABILITY
ANNUITY COMPUTATION**

TOTAL BASIC ANNUITY COMPUTATION (11)

Unreduced FERS Basic Annuity \$ <u>1,499.98</u> + Reduced CSRS Annuity \$ <u>28,727.08</u>	\$ 30,227.06
Reductions are made for:	
1) Under age 62 (not 60/20 or MRA/30) (See section 50C1.1-1 Chart 8)	x NA
Reduced Annuity	\$ 30,227.06
2) Survivor Annuity:	
Base selected by retiree \$ <u>30,227.06</u> (full or one-half)	
x <u>.10</u>	
Total reduction \$ <u>3,022.71</u>	
	- 3,022.71
Annual Annuity	\$ 27,204.35
MONTHLY BASIC ANNUITY (Divide by 12, round down to next lower dollar)	\$ 2,267.00

SURVIVOR ANNUITY COMPUTATION (12)

Survivor Base Selected (full or one-half)	\$ 30,227.06
Spouse or former spouse entitled to 50% of survivor base	x .50
Annual Survivor Annuity	\$ 15,113.53
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)	\$ 1,259.00

**Computation of Annuity
Under the General Formula
Chapter 50**

Example 5: FERS postponed MRA + 10 annuity, with nondeduction service, refunded service, and survivor annuity using one-half as base:

Using Example 2 as a guide, Lea Williams is eligible to retire on an MRA + 10 optional retirement at date of separation (9-30-2033). In Example 5, she chooses to postpone the annuity commencing date until age 62 to avoid the reduction for age.

Date of Separation:	9-30-2033
Date of Birth:	9-10-1975
Commencing Date of Annuity:	8-11-2037 (earliest commencing date that will
Active Military Service:	None avoid a reduction for age)
Civilian Service:	8-23-1998 to 10-31-1999 Nondeduction
	5-4-2002 to 11-27-2008 Refunded
	3-15-2020 to 9-30-2033 Covered
High-3 Average Pay:	\$93,781
Survivor Benefits:	One-Half Annuity as Base

① Compute age at separation to determine eligibility for retirement:

31	
2033 - 09 - 10	(Date of Separation)
<u>- 1975 - 09 - 10</u>	(Date of Birth)
58 - 00 - 21	(Age at Separation)

② Compute total service for computation purposes. Enter each period of service by following the steps below.

- a. Enter the appointment date (8-23-98) of the first period of service in column A.
- b. Enter the last day of the period of service (10-31-99) in column B.

**Example 5:
(Cont.)**

c. Determine whether the period of service is:

i. Covered: Retirement deductions were withheld

NOTE: Periods of LWOP in excess of 6 months in a calendar year are not creditable. (See Chapter 20 for more information about creditable covered service.)

ii. Nondeduction: Retirement deductions were not withheld.

NOTE: Under FERS, nondeduction service performed prior to January 1, 1989, is creditable only if a deposit is made for the service. Nondeduction service performed on or after January 1, 1989, is not creditable. (See Chapter 21 for additional information about service credit payments for civilian service.)

iii. Refunded: Retirement deductions were withheld and refunded

NOTE: Redeposit cannot be made for FERS service. Refunded service is not creditable for either eligibility or computation purposes.

iv. Military: Military service that is creditable for retirement purposes

NOTE: See Chapter 22 for more information.

v. Part-time service: See Chapter 55

d. Follow steps a through c for subsequent periods of service.

e. For **creditable** periods of service only, subtract column B from column A to determine the total service during those periods:

31	
2033 - 09 - 30	
- <u>2020 - 03 - 15</u>	
13 - 06 - 16	(13 years 6 months 16 days)

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 5:
(Cont.)**

NOTE: Enter the periods of nondeduction service (8-23-98 to 10-31-99) and refunded service (5-4-2002 to 11-27-2008), but do not include the length of service for these periods because they are not creditable for retirement or computation purposes. See Chapter 20 about the rules for creditable service under FERS.

- ③ Total the **creditable** civilian and military periods of service in column D.
- ④ Enter the total service for computation purposes (13 years 6 months), using whole years and months and dropping any extra days.
- ⑤ Compute the unreduced FERS basic annuity.
 - a. Enter the high-3 average pay (\$93,781).
 - b. Enter the years and months of total service for computation purposes (13 years 6 months).
 - c. Use the FERS 1 Percent Accrual Factor Chart (Chart 6) provided in section 50C1.1-1 to obtain the retirement factor for 13 years 6 months service (.135000).
 - d. Multiply the high-3 average pay (\$93,781) by the retirement factor (.135000) to obtain the unreduced FERS basic annuity (\$12,660.44).
- ⑥ Compute the annuity amount payable.

NOTE: Unlike in Example 2, Lea Williams' basic annuity will not be reduced for age because she postponed her annuity commencing date until age 62.

- a. Enter the base selected by the retiree for the survivor annuity ($\$12,660.44 \times 50$ percent = \$6,330.22).
- b. Multiply the base selected (\$6,330.22) by 10 percent to obtain the total survivor reduction (\$633.02).
- c. Subtract the total survivor reduction (\$633.02) from the basic annuity (\$12,660.44) to obtain the reduced annual annuity (\$12,027.42).

**Example 5:
(Cont.)**

- d. Divide the reduced annual annuity (\$12, 027.42) by 12 and round to the next lower dollar to obtain the monthly annuity amount payable (\$1,002).

- ⑦ Compute the survivor annuity.
 - a. Multiply the amount designated as the survivor base (\$6,330.22) by 50 percent to obtain the annual survivor rate (\$3,165.11).

 - b. Divide the annual survivor rate (\$3,165.11) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$263).

**Computation of Annuity
Under the General Formula
Chapter 50**

FERS

Example 6: FERS transferee deferred retirement, with survivor benefits based on full annuity:

Name:	Ruth Hanover		
Date of Birth:	1-11-1954		
Date of Separation:	6-12-2004		
Commencing Date of Annuity:	2-1-2010		
Service History:	3-10-1974 to 2-18-1977	Military	
	2-19-1977 to 12-4-1987	Covered (CSRS)	
	12-5-1987	Transfer to FERS	
	12-5-1987 to 6-12-2004	Covered (FERS)	
Date of Application for Deferred Retirement:	1-11-2010 (age 56)		
Unused Sick Leave:	Date of Transfer	=	1100 hours
	Date of Separation	=	200 hours
High-3 Average Pay on Date of Separation:	\$54,333		
Survivor Benefits:	Based on Full Annuity		

① Determine commencing date of annuity and age on commencing date of deferred retirement.

a. Commencing date of annuity:

In this example, Ruth is applying for deferred retirement at the Minimum Retirement Age (MRA) which, for someone born in 1954, is age 56. The commencing date of annuity is the first day of the month after the MRA, which is 2-1-2010.

b. Age on commencing date of deferred retirement:

32	
01	02
2010 - 02 - 01	(Commencing Date of Annuity)
- 1954 - 01 - 11	(Date of Birth)
56 - 00 - 21	(Age on Commencing Date of Deferred Retirement)

**Example 6:
(Cont.)**

- ② Compute CSRS service for computation purposes. Enter each period of service by following the steps below:
- a. Enter the first appointment date of creditable service (3-10-74) in column A.
 - b. Enter the last day of the period of service (2-18-77) in column B.
 - c. Determine whether the period of service is:

- i. Covered: Retirement Deductions were withheld

NOTE: Periods of LWOP in excess of 6 months in a calendar year are not creditable. (See Chapter 20 for more information about creditable covered service.)

- ii. Nondeduction: Retirement deductions were not withheld

NOTE: Under CSRS, determine if nondeduction service occurred on or after October 1, 1982, and whether or not a deposit for the service has been made. If the nondeduction service was performed on or after October 1, 1982, and deposit is not made, the service counts toward eligibility to retire and to determine the high-3 average pay, but is not included in the length of service computation. If nondeduction service was performed before October 1, 1982, and deposit is not made, the basic annual annuity is reduced by 10 percent of deposit plus interest owed. (See Chapter 21 for additional information.)

- iii. Refunded: Retirement deductions were withheld and refunded

NOTE: Under CSRS, if a redeposit for the refunded service is not made, can be used to determine the high-3 average pay, but is not included in the length of service computation.

EXCEPTION: If the employee owes a redeposit for a refund of retirement contributions covering a period of service that ended before October 1, 1990, that service **is** included in the computation, but the annuity is reduced. (See section 50A3.1-3.)

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 6:
(Cont.)**

iv. Military: Military service that is creditable for retirement purposes

NOTE: See Chapter 22 for more information.

v. Part-time service: See Chapter 55

d. Subtract column B from column A to determine the total service during that period:

$$\begin{array}{r}
 76 \quad 14 \quad 19 \\
 77 - 02 - 18 \\
 - 74 - 03 - 10 \\
 \hline
 02 - 11 - 09 \quad (2 \text{ years } 11 \text{ months } 9 \text{ days})
 \end{array}$$

e. Follow steps a through d for subsequent periods of CSRS service until the date of transfer (12-5-87).

- ③ Total the creditable civilian and military periods of service in column D.
- ④ Unused sick leave to the employee's credit on date of transfer or separation is not creditable toward the computation of a deferred annuity.
- ⑤ Total creditable service is equal to the total civilian and military periods of service on column D (13 years 8 months 25 days).
- ⑥ Enter the total service for computation purposes (13 years 8 months) by using whole years and months and dropping any extra days.
- ⑦ Compute FERS service for computation purposes.
 - a. Enter periods of creditable service beginning with the date of transfer (12-5-87).
 - b. Determine whether the period of service is:
 - i. Covered: Retirement deductions were withheld

NOTE: Periods of LWOP in excess of 6 months in a calendar year are not creditable. (See Chapter 20 for more information about creditable covered service.)

**Example 6:
(Cont.)**

- ii. Nondeduction: Retirement deductions were not withheld

NOTE: Under FERS, nondeduction service performed prior to January 1, 1989, is creditable only if a deposit is made for the service. Nondeduction service performed on or after January 1, 1989, is not creditable. (See Chapter 21 for additional information about service credit payments for civilian service.)

- iii. Refunded: Retirement deductions were withheld and refunded

NOTE: Redeposit cannot be made for FERS service. Refunded service is not creditable for either eligibility or computation purposes.

- iv. Military: Military service that is creditable for retirement purposes

NOTE: See Chapter 22 for more information.

- v. Part-time service: See Chapter 55

- c. Total the creditable service in column D (16 years 6 months 8 days).
- d. Compute the total service for computation purposes (16 years 6 months) by using whole years and months and dropping any extra days.
- ⑧ Compute the CSRS earned annuity benefit.
- a. Enter the high-3 average pay (\$54,333).
- b. Enter the years and months of CSRS service from step 6 above (13 years 8 months).
- c. Use the CSRS General Formula Computation Chart (Chart 4) provided in section 50C1.1-1 to obtain the retirement factor for 13 years 8 months service (.235833).

**Example 6:
(Cont.)**

- d. Multiply the high-3 average pay (\$54,333) by the retirement factor (.235833) to obtain the CSRS earned annuity benefit (\$12,813.51).

NOTE: In this example, there is no reduction for retirement under age 55 or unpaid deposit. Therefore, \$12,813.51 is the CSRS basic annuity amount before any reductions.

- ⑨ Compute the FERS earned basic annuity benefit.
- a. Enter the years and months of FERS service from step 7 (16 years 6 months).
- b. Use the FERS 1 Percent Accrual Factor Chart (Chart 6) provided in section 50C1.1-1 to obtain the retirement factor for 16 years 6 months service (.165000).
- c. Multiply the retirement factor (.165000) by the high-3 average pay (\$54,333) to obtain the FERS earned basic annuity benefit (\$8,964.95).
- ⑩ Compute the combined total basic annuity amount payable.
- a. Add the FERS earned annuity from step 9 (\$8,964.95) to the CSRS earned annuity from step 8 (\$12,813.51) to obtain the total unreduced basic annuity (\$21,778.46).
- b. Enter the base selected by the retiree for the survivor annuity (\$21,778.46). Under FERS, base is either all or 50 percent of ALL of the annuity.
- c. Multiply the base selected (\$21,778.46) by 10 percent to obtain the total survivor reduction (\$2,177.85).
- d. Subtract the total survivor reduction (\$2,177.85) from the total unreduced basic annuity (\$21,778.46), to obtain the annual basic annuity (\$19,600.61).
- e. Divide the annual basic annuity (\$19,600.61) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$1,633).
- ⑪ Compute the survivor annuity.
- a. Multiply the amount designated as the survivor base (\$21,778.46) by 50 percent to obtain the monthly annuity rate (\$907).

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 6:
(Cont.)**

COMPUTATION OF SERVICE CREDIT

YR MO DY

01 32

NAME: Ruth Hanover DATE OF RETIREMENT: 2010 - 02 - 01

DATE OF BIRTH: 1954 - 01 - 11 ①

AGE: 56 - 00 - 21

TYPE OF SERVICE SHOWN	
G	CSRS
G	FERS
Ⓞ	CSRS COMPONENT OF FERS TRANSFEREE

A	B	C	D (Do not list noncreditable periods of service)		
STARTING YR-MO-DY	ENDING YR-MO-DY	COVERED/REFUNDED/ NONDEDUCTION/MILITARY	YRS	MOS	DAYS
② 74-03-10	77-02-18	Military	2	11	9
77-02-19	87-12-04	Covered	10	9	16
③ TOTAL CIVILIAN/MILITARY			13	8	25
④ UNUSED SICK LEAVE *			0	0	0
⑤ TOTAL CREDITABLE SERVICE			13	8	25
⑥ TOTAL SERVICE FOR COMPUTATION PURPOSES			13	8	

* For FERS transferee use lesser of amount at date of transfer or date of retirement. Do not complete for FERS only or deferred retirements.

**Computation of Annuity
Under the General Formula
Chapter 50**

FERS

**Example 6:
(Cont.)**

COMPUTATION OF SERVICE CREDIT

YR MO DY

01 32

NAME: Ruth Hanover DATE OF RETIREMENT: 2010 - 02 - 01
DATE OF BIRTH: 1954 - 01 - 11
AGE: 56 - 00 - 21

TYPE OF SERVICE SHOWN	
G	CSRS
Ⓔ	FERS
G	CSRS COMPONENT OF FERS TRANSFEREE

A	B	C	D (Do not list noncreditable periods of service)		
			YRS	MOS	DAYS
STARTING YR-MO-DY	ENDING YR-MO-DY	COVERED/REFUNDED/ NONDEDUCTION/MILITARY			
⑦ 1987-12-05	2004-06-12	Covered	16	6	8
TOTAL CIVILIAN/MILITARY					
UNUSED SICK LEAVE *					
TOTAL CREDITABLE SERVICE			16	6	8
TOTAL SERVICE FOR COMPUTATION PURPOSES			16	6	

* For FERS transferee use lesser of amount at date of transfer or date of retirement. Do not

**Computation of Annuity
Under the General Formula
Chapter 50**

complete for FERS only or deferred retirements.

**Example 6:
(Cont.)**

**FERS TRANSFEREE NONDISABILITY
ANNUITY COMPUTATION**

CSRS BASIC ANNUITY COMPUTATION ⑧

High-3 Average Pay	\$ 54,333.00
Retirement Factor (See section 50C1.1-1, Chart 4) for CSRS service (13) yrs. (8) mos.	x .235833
Unreduced CSRS Basic Annuity	\$ 12,813.51
Reductions are made for:	
1) Under age 55 (See Chart 5)	x NA
Reduced CSRS Annuity	\$ NA
2) Non-deposit for service prior to 10-1-82 (Subtract 10% of deposit due)	- NA
REDUCED CSRS ANNUITY	\$ NA

FERS BASIC ANNUITY COMPUTATION ⑨

High-3 Average Pay	\$ 54,333.00
Retirement Factor (See section 50C1.1-1, Chart 6 or 7) for FERS service (16) yrs. (6) mos.	x .165000
UNREDUCED FERS BASIC ANNUITY	\$ 8,964.95

**Computation of Annuity
Under the General Formula
Chapter 50**

**Example 6:
(Cont.)**

**FERS TRANSFEREE NONDISABILITY
ANNUITY COMPUTATION**

TOTAL BASIC ANNUITY COMPUTATION (10)

Unreduced FERS Basic Annuity \$ <u>8,964.95</u> + Reduced CSRS Annuity \$ <u>12,813.51</u>	\$	21,778.46
Reductions are made for:		
1) Under age 62 (not 60/20 or MRA/30) (See section 50C1.1-1, Chart 8)	x	NA
Reduced Annuity	\$	21,778.46
2) Survivor Annuity:		
Base selected by retiree	\$ <u>21,778.46</u>	(full or one-half)
	x <u>.10</u>	
Total reduction	\$ <u>2,177.85</u>	
	-	2,177.85
Annual Annuity	\$	19,600.61
MONTHLY BASIC ANNUITY (Divide by 12, round down to next lower dollar)	\$	1,633.00

SURVIVOR ANNUITY COMPUTATION (11)

Survivor Base Selected (full or one-half)	\$	21,7
Spouse or former spouse entitled to 50% of survivor base	x	.50
Annual Survivor Annuity	\$	10,889.23
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)	\$	907.00

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Section 50C1.1-4 Computation Worksheets for Local Reproduction

COMPUTATION OF SERVICE CREDIT

NAME: _____

DATE OF RETIREMENT: **YR** **MO** **DY**

DATE OF BIRTH: _____

AGE: _____

TYPE OF SERVICE SHOWN
G CSRS
G FERS
G CSRS COMPONENT OF FERS TRANSFEEE

A	B	C	D (Do not list noncreditable periods of service)		
			YRS	MOS	DAYS
STARTING YR-MO-DY	ENDING YR-MO-DY	COVERED/REFUNDED/ NONDEDUCTION/MILITARY			
TOTAL CIVILIAN/MILITARY					
UNUSED SICK LEAVE *					
TOTAL CREDITABLE SERVICE					
TOTAL SERVICE FOR COMPUTATION PURPOSES					

* For FERS transferee use lesser of amount at date of transfer or date of retirement. Do not complete for FERS only or deferred retirements.

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**Computation of Annuity
Under the General Formula
Chapter 50**

Section 50C1.1-4 Computation Worksheets for Local Reproduction**CSRS NONDISABILITY ANNUITY COMPUTATION****EMPLOYEE ANNUITY COMPUTATION**

High-3 Average Pay	\$
Retirement Factor () yrs. () mos. (See section 50C1.1-1, Chart 4)	x
Unreduced CSRS Annuity	\$
Reductions are made for:	
1) Under age 55 (See section 50C1.1-1, Chart 5)	x
Reduced Annuity	\$
2) Non-deposit for service prior to 10-1-82 (subtract 10% of deposit due)	-
Reduced Annuity	\$
3) Survivor Annuity:	
Base selected by retiree \$ _____	
Amount up to \$3600 - _____ x .025 = \$ _____	
Amount over \$3600 = _____ x .10 = + _____	
Total Reduction = \$	-
Annual Annuity	\$
MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)	\$

SURVIVOR ANNUITY COMPUTATION

Amount designated as survivor base	\$
Spouse or former spouse entitled to 55% of survivor base	x .55
Annual Survivor Annuity	\$
MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)	\$

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**Computation of Annuity
Under the General Formula
Chapter 50**

Section 50C1.1-4 Computation Worksheets for Local Reproduction

**COMPUTATION OF REDUCTION
FOR UNPAID REDEPOSIT
FOR SERVICE ENDING BEFORE OCTOBER 1, 1990
CSRS EMPLOYEES**

Monthly Annuity Otherwise Payable	\$
Subtract Monthly Reduction: (Round to next higher dollar)	
Redeposit Owed \$_____ ÷ CSRS PVF* _____ =	-
CSRS MONTHLY ANNUITY REDUCED FOR UNPAID REDEPOSIT	\$

***Present Value Factor (see Chapter 53, Section 53C1.1-1).**

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**Computation of Annuity
Under the General Formula
Chapter 50**

Section 50C1.1-4 Computation Worksheets for Local Reproduction

VOLUNTARY CONTRIBUTIONS COMPUTATION

NAME: _____

<p>Part 1</p> <p style="text-align: center;">YR - MO - DY</p> <p>Date of Retirement: _____</p> <p style="padding-left: 40px;">Date of Birth: _____</p> <p>Age at Separation: _____</p>	<p>Part 2</p> <p style="text-align: center;">YR - MO - DY</p> <p>Date of Retirement: _____</p> <p style="padding-left: 40px;">- Age 55: _____</p> <p style="text-align: center;">Full Years over Age 55: _____</p>
---	---

<p>Part 3</p> <p style="text-align: right; margin-right: 20px;">\$7 per \$100 voluntary contributions</p> <p>Full Years over Age 55: _____</p> <p style="padding-left: 100px;">x _____</p> <p style="padding-left: 100px;">= _____</p> <p style="text-align: right; margin-right: 20px;">+</p> <p style="text-align: center;">AMOUNT ADDED TO ADDITIONAL ANNUITY</p>	<table border="1" style="width: 100%; height: 100%; border-collapse: collapse;"> <tr><td style="background-color: #cccccc;"> </td></tr> <tr><td> </td></tr> <tr><td style="background-color: #cccccc;"> </td></tr> <tr><td> </td></tr> <tr><td style="text-align: center;">\$</td></tr> </table>					\$
\$						

<p>Part 4</p> <p style="text-align: right; margin-right: 20px;">Voluntary Contributions (total account balance)</p> <p style="text-align: right; margin-right: 20px;">\$</p> <p style="text-align: right; margin-right: 20px;">÷</p> <p style="text-align: right; margin-right: 20px;">\$</p> <p style="text-align: right; margin-right: 20px;">X</p> <p style="text-align: right; margin-right: 20px;">\$</p> <p style="text-align: center;">UNREDUCED ANNUAL ADDITIONAL ANNUITY</p>	<table border="1" style="width: 100%; height: 100%; border-collapse: collapse;"> <tr><td> </td></tr> <tr><td style="text-align: center;">\$</td></tr> <tr><td> </td></tr> <tr><td style="text-align: center;">\$</td></tr> <tr><td style="text-align: center;">X</td></tr> <tr><td style="text-align: center;">\$</td></tr> </table>		\$		\$	X	\$
\$							
\$							
X							
\$							

**For Local Reproduction
1 of 2**

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**Computation of Annuity
Under the General Formula
Chapter 50**

Section 50C1.1-4 Computation Worksheets for Local Reproduction

**VOLUNTARY CONTRIBUTIONS COMPUTATION
(continued)**

Part 5 ADDITIONAL ANNUITY AMOUNT PAYABLE

Unreduced Annual Additional Annuity (from Part 4)	\$
Additional Survivor Annuity Reduction:	
Base selected by retiree \$ _____	
Amount up to \$3600 x _____	
 Total reduction \$ _____	-
Reduced Annual Additional Annuity	\$
REDUCED MONTHLY ADDITIONAL ANNUITY (Divide by 12, round down to next lower dollar)	\$

Part 6 ADDITIONAL SURVIVOR ANNUITY

Reduced Annual Additional Annuity	\$
Survivor entitled to 50%	x
Annual Additional Survivor Annuity	\$
MONTHLY ADDITIONAL SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)	\$

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**Computation of Annuity
Under the General Formula
Chapter 50**

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Section 50C1.1-4 Computation Worksheets for Local Reproduction

**FERS TRANSFEREE NONDISABILITY
ANNUITY COMPUTATION**

CSRS BASIC ANNUITY COMPUTATION

High-3 Average Pay	\$
Retirement Factor (See section 50C1.1-1, Chart 4) for CSRS service () yrs. () mos.	x
Unreduced CSRS Basic Annuity	\$
Reductions are made for:	
1) Under age 55 (See Chart 5)	x
Reduced CSRS Annuity	\$
2) Non-deposit for service prior to 10-1-82 (Subtract 10% of deposit due)	-
REDUCED CSRS ANNUITY	\$

FERS BASIC ANNUITY COMPUTATION

High-3 Average Pay	\$
Retirement Factor (See section 50C1.1-1, Chart 6 or 7) for FERS service () yrs. () mos.	x
UNREDUCED FERS BASIC ANNUITY	\$

For Local Reproduction
1 of 2

**Computation of Annuity
Under the General Formula
Chapter 50**

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Section 50C1.1-4 Computation Worksheets for Local Reproduction

**FERS TRANSFEREE NONDISABILITY
ANNUITY COMPUTATION
(continued)**

TOTAL BASIC ANNUITY COMPUTATION

Unreduced FERS Basic Annuity \$ _____ + Reduced CSRS Annuity \$ _____		\$
Reductions are made for:		
1) Under age 62 (not 60/20 or MRA/30) (See section 50C1.1-1, Chart 8)	x	
Reduced Annuity		\$
2) Survivor Annuity:		
Base selected by retiree \$ _____ (full or one-half)		
x _____		
Total reduction \$ _____		
		-
Annual Annuity		\$
MONTHLY BASIC ANNUITY (Divide by 12, round down to next lower dollar)		\$

SURVIVOR ANNUITY COMPUTATION

Survivor Base Selected (full or one-half)		\$
Spouse or former spouse entitled to 50% of survivor base	x	
Annual Survivor Annuity		\$
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)		\$