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**Subchapter 54A CSRS
Part 54A1 General Information****Section 54A1.1-1 Overview****A. Introduction**

This subchapter contains the rules and procedures that apply to the computation of annuities under CSRS for law enforcement officers, firefighters, and air traffic controllers.

Subchapter 54C contains illustrations of annuity computations using the formulas that apply to these special groups.

IMPORTANT: OPM uses an automated system to calculate benefits that carries calculations to six decimal places. The examples in this Chapter were computed using OPM's automated system; therefore, the answers are exact to the dollar.

Manual calculations and computations made by agencies are not expected to be accurate to the dollar.

B. Topics Covered

This subchapter covers:

- The components of the annuity payable to law enforcement officers, firefighters, and air traffic controllers; and
- The formulas used to compute the basic annuity for law enforcement officers, firefighters, and air traffic controllers.

NOTE: This subchapter does not cover the computation of retirement benefits for part-time employment. See Chapter 55, Computation for Part-Time Employees, for computation for part-time employment.

C. Organization of Subchapter

The CSRS subchapter has three parts.

Part	Name of Part	Page
54A1	General Information	1
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**Special Computation Formulas for Law Enforcement
Officers, Firefighters, and Air Traffic Controllers
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Section 54A1.1-1 Overview (Cont.)

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|--|--|
| C. Organization of Subchapter (Cont.) | NOTE: Subchapter 54B, about the computation of annuity for law enforcement officers, firefighters, and air traffic controllers under FERS, begins on page 8. |
| D. Reference to Chapter 50 | <p>The rules for computing a CSRS annuity under the general formula are explained in subChapter 50A of Chapter 50, Computation of Annuity Under the General Formula. Many of the rules discussed in subChapter 50A apply to all CSRS annuity computations, including the special annuity computations for law enforcement officers, firefighters, and air traffic controllers.</p> <p>The following provisions of subChapter 50A apply to this subchapter:</p> <ul style="list-style-type: none"> • Section 50A2.1-2: Length of Service • Section 50A2.1-4: High-3 Average Salary • Section 50A2.1-5: Basic Pay Rates • Section 50A3.1-2: Maximum Annuity • Section 50A3.1-3: Reductions in Annuity • Section 50A3.1-4: CSRS Offset Employees • Section 50A3.1-5: Additional Annuity--Voluntary Contributions |
| E. Statement of Authority | <p>This subchapter is based on the laws and regulations cited below.</p> <ul style="list-style-type: none"> • United States Code: 5 U.S.C. 8339 • Code of Federal Regulations: 5 CFR Part 831 |
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Part 54A2 Components of the Basic Annuity**Section 54A2.1-1 Introduction**

A. General Rule

Basic annuity benefits for law enforcement officers, firefighters, and air traffic controllers are based primarily on:

- The amount of creditable service (see section 54A2.1-2 of this subchapter); and
 - The individual's high-3 average salary (see Chapter 50, section 50A2.1-4).
-

**B. Basic Annuity
Reductions**

The basic annuity may be reduced for:

- Failure to pay a deposit for nondeduction service performed prior to October 1, 1982 (see Chapter 50, section 50A3.1-3, paragraph C);
 - Failure to pay a redeposit of a refund based on a period of service ending before October 1, 1990 (see Chapter 50, section 50A3.1-3, paragraph J);
 - Election of (or court-ordered) survivor benefits for a current spouse and/or former spouse (see Chapter 50, section 50A3.1-3, paragraph D);
 - Election of a survivor benefit for a person with an insurable interest (see Chapter 50, section 50A3.1-3, paragraph G);
 - Election of the alternative annuity (see Chapter 53); and
 - An offset amount for offset employees who are entitled to Social Security benefits.
-

Section 54A2.1-2 Computing Length of Service Periods

- A. Applicable Provisions of Chapter 50** The provisions of Chapter 50, section 50A2.1-3, apply to employees retiring under this subchapter, with one exception. The exception is noted below in paragraph B.
-
- B. Crediting Unused Sick Leave for Certain Firefighters** Many firefighters have unusual/uncommon tours of duty (for example, work schedules in excess of 80 hours per biweekly pay period) and earn sick leave at a higher than normal rate (that is, more than 4 hours per biweekly pay period). In such cases, service credit for unused sick leave is based on the length of calendar time that the unused sick leave would cover based on the unusual tour of duty. The employing agency is responsible for annotating the employee's SF 2806 to show the date upon which the employee's unused sick leave would have expired had the employee used it. See the documentation procedures below in paragraph C.
-
- C. Documentation of Sick Leave for Nonstandard Tours of Duty** For individuals who have unusual or uncommon tours of duty, the retirement record, SF 2806, should be annotated to show the date when the unused sick leave would have expired, counting from the separation date. A typical posting would state: "Unused Sick Leave of xxx hours (uncommon tour of duty) would have expired xx-xx-xx (5 U.S.C. chapter 63)."
-

Part 54A3 Computation of the Basic Annuity**Section 54A3.1-1 Formula for Computing the Basic Annuity for Law Enforcement Officers and Firefighters**

A. Formula

The basic annuity for employees eligible to retire under the special provisions for law enforcement officers and firefighters (see Chapter 46, Special Retirement Provisions for Law Enforcement Officers, Firefighters, Air Traffic Controllers, and Military Reserve Technicians) is computed as follows:

- 2.5 percent of the high-3 average salary multiplied by the total service not to exceed 20 years; plus
- 2 percent of the high-3 average salary multiplied by any additional years of creditable service exceeding 20 years.

NOTE 1: This formula has been used to produce the computation chart provided in section 54C1.1-1, Chart 1. -- CSRS Factor Chart for Law Enforcement Officers and Firefighters.

NOTE 2: Subchapter 54C contains illustrations of annuity computations using the special formula described above.

NOTE 3: In computing a CSRS annuity, the law provides that all service, including non-law enforcement civilian service, military service, and credit for unused sick leave, receives credit at the 2.5 percent and 2 percent accrual rates. However, since an employee must have at least 20 years of law enforcement/firefighter service to be able to retire under the special provisions, as a practical matter, non-law enforcement/firefighter service is not credited at the 2.5 percent rate.

**Special Computation Formulas for Law Enforcement
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Section 54A3.1-2 Formula for Computing the Basic Annuity for Air Traffic Controllers

- A. Formula** The general formula described in Chapter 50, section 50A3.1-1, is used to compute the basic annuity of an air traffic controller; however, a minimum benefit is guaranteed. The basic eligibility requirements are described in Chapter 46.
-
- B. Guaranteed Minimum Benefit** Once an employee has completed 20 years of service as an air traffic controller, he or she is guaranteed to receive the greater of:
- 50 percent of his or her high-3 average salary (the guaranteed minimum benefit); or
 - The basic annuity computed under the general formula based on all years of service.

NOTE 1: An employee who owes a redeposit for air traffic controller service will not be entitled to the guaranteed 50 percent minimum benefit unless he or she pays the redeposit or it is deemed paid under the alternative annuity provision. (See Chapter 53, Alternative Annuity Elections.) > If the redeposit is owed for refunded air traffic controller service that ended prior to October 1, 1990, the 50 percent guaranteed minimum benefit will be subject to an actuarial reduction if the redeposit is not paid. (See Chapter 50, section 50A3.1-3J.) <

NOTE 2: Subchapter 54C contains an illustration of an annuity computation using the special formula described above.

Section 54A3.1-3 Reductions in Annuity

- A. Applicable Provisions of Chapter 50** The provisions of Chapter 50, section 50A3.1-3, generally apply under this subchapter. The exceptions are noted below in paragraphs B, C, and D.
-
- B. Reduction for Retiring Under Age 55** The reduction in annuity that applies to employees who retire under age 55 does not apply to employees who retire under the special provisions described in this Chapter because the retirement law permits these employees to retire voluntarily (optionally) before age 55 as long as they have the required years of service as a law enforcement officer, firefighter, or air traffic controller.
-
- C. Unpaid Deposit Service** The reduction in annuity that applies if an employee owes a deposit to cover a period of civilian service performed prior to October 1, 1982, for which no retirement deductions were made, does not apply in the computation of the air traffic controller benefit if it brings the annuity below the guaranteed minimum 50 percent of the high-3 average salary.
-
- D. Reduction for Unpaid Redeposit Covering Service Before October 1990** The reduction in annuity that applies if an employee owes a redeposit for service that ended before October 1, 1990, does not apply in the computation of the air traffic controller benefit if it brings the annuity below the guaranteed minimum 50 percent of the high-3 average salary, and the service for which the redeposit is owed is **not** air traffic controller service. If the redeposit is owed for refunded air traffic controller service that ended prior to October 1, 1990, the 50 percent guaranteed minimum benefit will be subject to an actuarial reduction if the redeposit is not paid.
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Subchapter 54B FERS

Part 54B1 General Information

Section 54B1.1-1 Overview

A. Introduction

Subchapter 54B contains the rules and procedures that apply to the computation of a basic annuity for law enforcement officers, firefighters, and air traffic controllers under the Federal Employees Retirement System (FERS).

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

Subchapter 54C contains illustrations of annuity computations using the special formula.

NOTE 1: The retiree annuity supplement is payable before age 62 in addition to the basic annuity. See Chapter 51, Retiree Annuity Supplement, for further details.

NOTE 2: This subchapter does not cover the computation of retirement benefits for part-time employment. See Chapter 55 for computation for part-time employment.

B. Organization of Subchapter

The FERS subchapter has three parts.

Part	Name of Part	Page
54B1	General Information	8
54B2	Components of the Basic Annuity	10
54B3	Computation of the Basic Annuity	11

Section 54B1.1-1 Overview (Cont.)**C. Reference to
Chapter 50**

The following provisions of Chapter 50, subchapter B (the FERS subchapter), apply under this subchapter:

- Section 50B2.1-2: Length of Service
 - Section 50B2.1-3: High-3 Average Salary
 - Section 50B3.1-2: Maximum Annuity
 - Section 50B3.1-3D-G: Reduction for Survivor Annuity
 - Section 50B3.1-4: Additional Annuity -- Voluntary Contributions
 - Part 50B4: CSRS Annuity Component
-

**D. Statement of
Authority**

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

- United States Code: 5 U.S.C. 8415(d), 8416 through 8420, and 8425
 - Code of Federal Regulations: 5 CFR 842.405 and Subpart F
-

Part 54B2 Components of the Basic Annuity

Section 54B2.1-1 Introduction

A. General

FERS basic annuity benefits for law enforcement officers, firefighters, and air traffic controllers are based primarily on:

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

B. Reductions in Annuity

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

- Election of (or court-ordered) survivor benefits for a current spouse and/or former spouse (see Chapter 50, section 50B3.1-3, paragraph D);
- Election of a survivor benefit to a person with an insurable interest (see Chapter 50, section 50B3.1-3, paragraph G);
- Election of the alternative annuity. (See Chapter 53.)

NOTE: The special benefits for law enforcement officers, firefighters, and air traffic controllers apply only to employees who separate with entitlement to an immediate annuity under the special provisions. Consequently, MRA + 10 and deferred retirement provisions only apply to special group employees who separate before meeting the age and service requirements for benefits under the special provisions

Part 54B3 Computation of the Basic Annuity

Section 54B3.1-1 Formula for Computing the Basic Annuity for Law Enforcement Officers, Firefighters, and Air Traffic Controllers

A. Formula

The basic annuity for employees eligible to retire under the special provisions for law enforcement officers, firefighters, and air traffic controllers under FERS (see Chapter 46) is computed as follows:

- 1.7 percent of the high-3 average salary multiplied by 20; plus
- 1 percent of the high-3 average salary multiplied by any additional creditable service.

NOTE 1: A retiree annuity supplement is payable before age 62 in addition to the basic annuity. See Chapter 51, Retiree Annuity Supplement, for further details.

NOTE 2: See section 54C1.1-1 for the 1.7 percent factor chart, Chart 2. -- FERS 1.7 Percent Factor Chart for Law Enforcement Officers, Firefighters, and Air Traffic Controllers.

NOTE 3: The 1.1 percent formula does not apply to individuals who, at the time of the separation on which retirement is based, are law enforcement officers, firefighters, or air traffic controllers.

NOTE 4: Subchapter 54C provides examples of annuity computations using the special formula for law enforcement officers, firefighters, and air traffic controllers.

B. Employees With a CSRS Annuity Component

Individuals 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.

The CSRS rules in subchapter 54A for creditability of service, calculation of length of service, average salary, reduction for unpaid CSRS deposit(s) and redeposit(s), and voluntary contributions annuity apply to the CSRS component of a FERS benefit.

Section 54B3.1-1 Formula for Computing the Basic Annuity for Law Enforcement Officers, Firefighters, and Air Traffic Controllers (Cont.)

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

See Part 50B4 in Chapter 50 for a general discussion of computations involving a CSRS annuity component. See subchapter 54C for an illustration of a FERS annuity computation under the special provisions that has a CSRS component.

NOTE 1: The guaranteed minimum benefit for air traffic controllers under CSRS (see section 54A3.1-2B) cannot be used in computing the CSRS component of an air traffic controller who transfers to FERS. Only the regular CSRS formula will be used in computing the CSRS component.

NOTE 2: In computing the FERS component, law enforcement, firefighter, or air traffic controller service performed before the transfer to FERS does not count toward the 20-year limit on the 1.7 percent part of the formula described in paragraph A. For example, an individual who transfers to FERS after completing 13 years of law enforcement, firefighter, or air traffic controller service can still accrue up to 20 years under FERS at the 1.7 percent rate.

NOTE 3: In computing the CSRS component of a FERS benefit, only the years and months of law enforcement/firefighter service qualify for the 2.5 percent accrual. Any other CSRS component service (such as military and non-law enforcement officer/firefighter service) would be subject to the 2 percent accrual.

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Special Computation Formulas for Law Enforcement Officers, Firefighters, and Air Traffic Controllers
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Subchapter 54C Job Aids

Section 54C1.1-1 Charts

Chart 1. -- CSRS Factor Chart for Law Enforcement Officers and Firefighters (Formula for computation chart: 2.5% of the high-3 average salary multiplied by the total service not to exceed 20 years; plus, 2% of the high-3 average salary multiplied by any additional years of creditable service exceeding 20 years.)

No. of Years	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	0.025000	0.027083	0.029167	0.031250	0.033333	0.035417	0.037500	0.039583	0.041667	0.043750	0.045833	0.047917
2	0.050000	0.052083	0.054167	0.056250	0.058333	0.060417	0.062500	0.064583	0.066667	0.068750	0.070833	0.072917
3	0.075000	0.077083	0.079167	0.081250	0.083333	0.085417	0.087500	0.089583	0.091667	0.093750	0.095833	0.097917
4	0.100000	0.102083	0.104167	0.106250	0.108333	0.110417	0.112500	0.114583	0.116667	0.118750	0.120833	0.122917
5	0.125000	0.127083	0.129167	0.131250	0.133333	0.135417	0.137500	0.139583	0.141667	0.143750	0.145833	0.147917
6	0.150000	0.152083	0.154167	0.156250	0.158333	0.160417	0.162500	0.164583	0.166667	0.168750	0.170833	0.172917
7	0.175000	0.177083	0.179167	0.181250	0.183333	0.185417	0.187500	0.189583	0.191667	0.193750	0.195833	0.197917
8	0.200000	0.202083	0.204167	0.206250	0.208333	0.210417	0.212500	0.214583	0.216667	0.218750	0.220833	0.222917
9	0.225000	0.227083	0.229167	0.231250	0.233333	0.235417	0.237500	0.239583	0.241667	0.243750	0.245833	0.247917
10	0.250000	0.252083	0.254167	0.256250	0.258333	0.260417	0.262500	0.264583	0.266667	0.268750	0.270833	0.272917
11	0.275000	0.277083	0.279167	0.281250	0.283333	0.285417	0.287500	0.289583	0.291667	0.293750	0.295833	0.297917
12	0.300000	0.302083	0.304167	0.306250	0.308333	0.310417	0.312500	0.314583	0.316667	0.318750	0.320833	0.322917
13	0.325000	0.327083	0.329167	0.331250	0.333333	0.335417	0.337500	0.339583	0.341667	0.343750	0.345833	0.347917
14	0.350000	0.352083	0.354167	0.356250	0.358333	0.360417	0.362500	0.364583	0.366667	0.368750	0.370833	0.372917
15	0.375000	0.377083	0.379167	0.381250	0.383333	0.385417	0.387500	0.389583	0.391667	0.393750	0.395833	0.397917
16	0.400000	0.402083	0.404167	0.406250	0.408333	0.410417	0.412500	0.414583	0.416667	0.418750	0.420833	0.422917
17	0.425000	0.427083	0.429167	0.431250	0.433333	0.435417	0.437500	0.439583	0.441667	0.443750	0.445833	0.447917
18	0.450000	0.452083	0.454167	0.456250	0.458333	0.460417	0.462500	0.464583	0.466667	0.468750	0.470833	0.472917
19	0.475000	0.477083	0.479167	0.481250	0.483333	0.485417	0.487500	0.489583	0.491667	0.493750	0.495833	0.497917
20	0.500000	0.501667	0.503333	0.505000	0.506667	0.508333	0.510000	0.511667	0.513333	0.515000	0.516667	0.518333
21	0.520000	0.521667	0.523333	0.525000	0.526667	0.528333	0.530000	0.531667	0.533333	0.535000	0.536667	0.538333
22	0.540000	0.541667	0.543333	0.545000	0.546667	0.548333	0.550000	0.551667	0.553333	0.555000	0.556667	0.558333
23	0.560000	0.561667	0.563333	0.565000	0.566667	0.568333	0.570000	0.571667	0.573333	0.575000	0.576667	0.578333
24	0.580000	0.581667	0.583333	0.585000	0.586667	0.588333	0.590000	0.591667	0.593333	0.595000	0.596667	0.598333
25	0.600000	0.601667	0.603333	0.605000	0.606667	0.608333	0.610000	0.611667	0.613333	0.615000	0.616667	0.618333
26	0.620000	0.621667	0.623333	0.625000	0.626667	0.628333	0.630000	0.631667	0.633333	0.635000	0.636667	0.638333
27	0.640000	0.641667	0.643333	0.645000	0.646667	0.648333	0.650000	0.651667	0.653333	0.655000	0.656667	0.658333
28	0.660000	0.661667	0.663333	0.665000	0.666667	0.668333	0.670000	0.671667	0.673333	0.675000	0.676667	0.678333
29	0.680000	0.681667	0.683333	0.685000	0.686667	0.688333	0.690000	0.691667	0.693333	0.695000	0.696667	0.698333
30	0.700000	0.701667	0.703333	0.705000	0.706667	0.708333	0.710000	0.711667	0.713333	0.715000	0.716667	0.718333
31	0.720000	0.721667	0.723333	0.725000	0.726667	0.728333	0.730000	0.731667	0.733333	0.735000	0.736667	0.738333
32	0.740000	0.741667	0.743333	0.745000	0.746667	0.748333	0.750000	0.751667	0.753333	0.755000	0.756667	0.758333
33	0.760000	0.761667	0.763333	0.765000	0.766667	0.768333	0.770000	0.771667	0.773333	0.775000	0.776667	0.778333
34	0.780000	0.781667	0.783333	0.785000	0.786667	0.788333	0.790000	0.791667	0.793333	0.795000	0.796667	0.798333
35	0.800000											

Special Computation Formulas for Law Enforcement Officers, Firefighters, and air Traffic Controllers
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Chart 2. -- FERS 1.7 Percent Factor Chart for Law Enforcement Officers, Firefighters, and Air Traffic Controllers

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	0.017000	0.018417	0.019833	0.021250	0.022667	0.024084	0.025500	0.026917	0.028334	0.029750	0.031167	0.032583
2	0.034000	0.035417	0.036833	0.038250	0.039667	0.041084	0.042500	0.043917	0.045334	0.046750	0.048167	0.049583
3	0.051000	0.052417	0.053833	0.055250	0.056667	0.058084	0.059500	0.060917	0.062334	0.063750	0.065167	0.066583
4	0.068000	0.069417	0.070833	0.072250	0.073667	0.075084	0.076500	0.077917	0.079334	0.080750	0.082167	0.083583
5	0.085000	0.086417	0.087833	0.089250	0.090667	0.092083	0.093500	0.094917	0.096333	0.097750	0.099167	0.100583
6	0.102000	0.103417	0.104833	0.106250	0.107667	0.109083	0.110500	0.111917	0.113333	0.114750	0.116167	0.117583
7	0.119000	0.120417	0.121833	0.123250	0.124667	0.126083	0.127500	0.128917	0.130333	0.131750	0.133167	0.134583
8	0.136000	0.137417	0.138833	0.140250	0.141667	0.143083	0.144500	0.125917	0.147333	0.148750	0.150167	0.151583
9	0.153000	0.154417	0.155833	0.157250	0.158667	0.160083	0.161500	0.162917	0.164333	0.165750	0.167167	0.168583
10	0.170000	0.171417	0.172833	0.174250	0.175667	0.177083	0.178500	0.179917	0.181333	0.182750	0.184167	0.185583
11	0.187000	0.188417	0.189833	0.191250	0.192667	0.194083	0.195500	0.196917	0.198333	0.199750	0.201167	0.202583
12	0.204000	0.205417	0.206833	0.208250	0.209667	0.211083	0.212500	0.213917	0.215333	0.216750	0.218167	0.219583
13	0.221000	0.222417	0.223833	0.225250	0.226667	0.228083	0.229500	0.230917	0.232333	0.233750	0.235167	0.236583
14	0.238000	0.239417	0.240833	0.242250	0.243667	0.245083	0.246500	0.247917	0.249333	0.250750	0.252167	0.253583
15	0.255000	0.256417	0.257833	0.259250	0.260667	0.262083	0.263500	0.264917	0.266333	0.267750	0.269167	0.270583
16	0.272000	0.273417	0.274833	0.276250	0.277667	0.279083	0.280500	0.281917	0.283333	0.284750	0.286167	0.287583
17	0.289000	0.290417	0.291833	0.293250	0.294667	0.296083	0.297500	0.198917	0.300333	0.301750	0.303167	0.304583
18	0.306000	0.307417	0.308833	0.310250	0.311667	0.313083	0.314500	0.315917	0.317333	0.318750	0.320167	0.321583
19	0.323000	0.324417	0.325833	0.327250	0.328667	0.330083	0.331500	0.332917	0.334333	0.335750	0.337167	0.338583
20	0.340000	0.340833	0.341667	0.342500	0.343333	0.344167	0.345000	0.345833	0.346667	0.347500	0.348333	0.349167
21	0.350000	0.350833	0.351667	0.352500	0.353333	0.354167	0.355000	0.355833	0.356667	0.357500	0.358333	0.359167
22	0.360000	0.360833	0.361667	0.362500	0.363333	0.364167	0.365000	0.365833	0.366667	0.367500	0.368333	0.369167
23	0.370000	0.370833	0.371667	0.372500	0.373333	0.374167	0.375000	0.375833	0.376667	0.377500	0.378333	0.379167
24	0.380000	0.380833	0.381667	0.382500	0.383333	0.384167	0.385000	0.385833	0.386667	0.387500	0.388333	0.389167
25	0.390000	0.390833	0.391667	0.392500	0.393333	0.394167	0.395000	0.395833	0.396667	0.397500	0.398333	0.399167
26	0.400000	0.400833	0.401667	0.402500	0.403333	0.404167	0.405000	0.405833	0.406667	0.407500	0.408333	0.409167
27	0.410000	0.410833	0.411667	0.412500	0.413333	0.414167	0.415000	0.415833	0.416667	0.417500	0.418333	0.419167
28	0.420000	0.420833	0.421667	0.422500	0.423333	0.424167	0.425000	0.425833	0.426667	0.427500	0.428333	0.429167
29	0.430000	0.430833	0.431667	0.432500	0.433333	0.434167	0.435000	0.435833	0.436667	0.437500	0.438333	0.439167
30	0.440000	0.440833	0.441667	0.442500	0.443333	0.444167	0.445000	0.445833	0.446667	0.447500	0.448333	0.449167

Section 54C1.1-2 Computation 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. The worksheets are identical to those in Chapter 50.

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 firefighter--Optional retirement with full survivor benefits:

Name:	Jason Fitzpatrick	
Date of Retirement:	4-30-91	
Date of Birth:	4-25-39	
Civilian Service:	5-1-69 to 4-30-91	Covered Firefighter Service
Unused Sick Leave:	1113 hours	
High-3 Average Salary:	\$48,125	
Survivor Benefits:	Based on Full Annuity	

① Compute age at separation to determine eligibility for retirement:

	31	
	91 - 04 - 30	(Date of Retirement)
	- 39 - 04 - 25	(Date of Birth)
	52 - 00 - 06	(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 (5-1-69) in column A.
- b. Enter the last day of the period of service (4-30-91) in column B.
- c. Determine whether the period of service is:

Example 1 (Cont.) i. Covered: Retirement deductions were withheld

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

ii. Nondeduction: Retirement deductions were not withheld

NOTE: Determine if nondeduction service occurred before, 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, the service counts toward eligibility to retire but is not used to compute the retirement benefit. (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 a refund based on a period of service ending before October 1, 1990, is not paid, the service covered by the refund is creditable for both eligibility and computation purposes, but the annuity will be actuarially reduced.

If a redeposit for a refund based on a period of service ending after September 30, 1990, is not paid, the service covered by the refund counts toward eligibility to retire but is not used to compute the retirement benefit. (See Chapter 21 for more information.)

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

NOTE: See Chapter 22, Creditable Military Service, for more information on creditable military service.

v. Part-time: See Chapter 55

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

$$\begin{array}{r}
 90 - 16 - 31 \\
 91 - 04 - 30 \\
 - \underline{69 - 05 - 01} \\
 21 - 11 - 30 \qquad (22 \text{ years})
 \end{array}$$

Example 1 (Cont.)

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

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 Chart 2. -- the 2087 Sick Leave Chart provided in Chapter 50, section 50C1.1-1:

1113 hours = 6 months 12 days

- ⑤ Compute the total creditable service by adding the unused sick leave (6 months 12 days) to the total civilian and military periods of service.
- ⑥ Compute the total service for computation purposes (22 years 6 months) by using whole years and months and dropping any extra days.
- ⑦ Compute the unreduced CSRS annuity.
 - a. Enter the high-3 average salary (\$48,125).
 - b. Enter the years and months of total service for computation purposes (22 years 6 months).
 - c. Use Chart 1. -- CSRS Factor Chart for Law Enforcement Officers and Firefighters, provided in section 54C1.1-1, to obtain the retirement factor for 22 years 6 months of firefighter service (.550000).
 - d. Multiply the high-3 average salary (\$48,125) by the retirement factor (.550000) to obtain the unreduced CSRS annuity (\$26,468.75).
- ⑧ Compute the monthly annuity.
 - a. Enter the unreduced CSRS annuity from step 7 (\$26,468.75).

NOTE 1: A reduction for retirement before age 55 does not apply to employees who retire under the special provisions for law enforcement officers and firefighters.

NOTE 2: In this example, the employee has no unpaid deposits for service prior to October 1, 1982.
 - b. 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 \$26,468.75).

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Example 1 (Cont.)

- c. Multiply the first \$3,600 of the base selected by 2.5 percent, which equals \$90.
 - d. Multiply the remainder over \$3,600 (\$22,868.75) by 10 percent, which equals \$2,286.88.
 - e. Total the reduction for survivor annuity (\$2,376.88).
 - f. Subtract the total reduction for survivor annuity (\$2,376.88) from the unreduced CSRS annuity (\$26,468.75), which equals the annual annuity amount payable (\$24,091.87).
 - g. Divide the annual annuity amount payable (\$24,091.87) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$2,007).
- ⑨ Compute the monthly survivor annuity.
- a. Multiply the amount designated as the survivor base (\$26,468.75) by 55 percent, which equals the annual survivor rate (\$14,557.81).
 - b. Divide the annual survivor rate (\$14,557.81) by 12 and round to the next lower dollar to obtain the monthly survivor annuity rate (\$1,213).

Example 1 (Cont.)

COMPUTATION OF SERVICE CREDIT

<p>NAME: Jason Fitzpatrick</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%; text-align: right;">YR</td> <td style="width: 15%; text-align: right;">MO</td> <td style="width: 15%; text-align: right;">DY</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td align="right">31</td> <td></td> </tr> <tr> <td>DATE OF RETIREMENT:</td> <td align="right">1991</td> <td align="right">- 04</td> <td align="right">- 30</td> <td></td> </tr> <tr> <td>DATE OF BIRTH:</td> <td align="right">1939</td> <td align="right">- 04</td> <td align="right">- 25</td> <td align="right">①</td> </tr> <tr> <td>AGE:</td> <td align="right">52</td> <td align="right">- 00</td> <td align="right">- 06</td> <td></td> </tr> </table>		YR	MO	DY					31		DATE OF RETIREMENT:	1991	- 04	- 30		DATE OF BIRTH:	1939	- 04	- 25	①	AGE:	52	- 00	- 06	
	YR	MO	DY																							
			31																							
DATE OF RETIREMENT:	1991	- 04	- 30																							
DATE OF BIRTH:	1939	- 04	- 25	①																						
AGE:	52	- 00	- 06																							

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)		
STARTING YR-MO-DY	ENDING YR-MO-DY	COVERED/REFUNDED/ NONDEDUCTION/MILITARY	YRS	MOS	DAYS
② 69-05-01	91-04-30	Covered firefighter	22	0	0
③ TOTAL CIVILIAN/MILITARY			22	0	0
④ UNUSED SICK LEAVE *				6	12
⑤ TOTAL CREDITABLE SERVICE			22	6	12
⑥ TOTAL SERVICE FOR COMPUTATION PURPOSES			22	6	

*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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Example 1 (Cont.)**CSRS NONDISABILITY ANNUITY COMPUTATION****EMPLOYEE ANNUITY COMPUTATION**

High-3 Average Salary		\$ 48,125.00
Retirement Factor (22) yrs. (6) mos.		x .550000
⑦	Unreduced CSRS Annuity	\$ 26,468.75
Reductions are made for:		
	1) Under age 55	x
	Reduced Annuity	\$
	2) Non-deposit for service prior to 10-1-82 (subtract 10% of deposit due)	-
	Reduced Annuity	\$ 26,468.75
	3) Survivor Annuity:	
	Base selected by retiree \$26,468.75	
	Amount up to \$3600 - <u>3,600.00</u> x .025 = \$ 90.00	
	Amount over \$3600 = <u>22,868.75</u> x .10 = + <u>2,286.88</u>	
	Total Reduction =	\$2,376.88
	Annual Annuity	\$ 24,091.87
⑧	MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)	\$ 2,007.00

⑨ SURVIVOR ANNUITY COMPUTATION

Amount designated as survivor base	\$ 26,468.75
Spouse or former spouse entitled to 55% of survivor base	x .55
Annual Survivor Annuity	\$ 14,557.81
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)	\$ 1,213.00

Example 2:

CSRS law enforcement officer--Optional retirement with maximum annuity and full survivor benefits:

	Name:	Eugene Singer
	Date of Retirement:	7-30-91
	Date of Birth:	8-15-31
	Civilian Service:	10-1-54 to 7-30-91
Covered Law Enforcement Service:		
	Unused Sick Leave:	1478 hours
	High-3 Average Salary:	\$65,448
	Survivor Benefits:	Based on Full Annuity

- ① Compute age at separation to determine eligibility for retirement:

$$\begin{array}{r}
 90 - 19 - 31 \\
 \underline{91 - 07 - 30} \quad \text{(Date of Retirement)} \\
 - 31 - 08 - 15 \quad \text{(Date of Birth)} \\
 \hline
 59 - 11 - 16 \quad \text{(Age at Separation)}
 \end{array}$$

- 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 (10-1-54) in column A.
- b. Enter the last day of the period of service (7-30-91) 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

NOTE: Determine if nondeduction service occurred before, 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, the service counts toward eligibility to retire but is not used to compute the retirement benefit. (See Chapter 21 for additional information.)

**Special Computation Formulas for Law Enforcement
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Example 2 (Cont.)

iii. Refunded: Retirement deductions were withheld and refunded

NOTE: If a redeposit for a refund based on a period of service ending before October 1, 1990, is not paid, the service covered by the refund is creditable for both eligibility and computation purposes, but the annuity will be actuarially reduced.

If a redeposit for a refund based on a period of service ending after September 30, 1990, is not paid, the service covered by the refund counts toward eligibility to retire but is not used to compute the retirement benefit. (See Chapter 21 for more information.)

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

NOTE: See Chapter 22 for more information on creditable military service.

v. Part-time: See Chapter 55

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

$$\begin{array}{r}
 90 - 19 - 31 \\
 \cancel{91} - \cancel{07} - \cancel{30} \\
 - \cancel{54} - \cancel{10} - \cancel{01} \\
 \hline
 36 - 09 - 30 \quad (36 \text{ years } 10 \text{ months})
 \end{array}$$

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

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

$$1478 \text{ hours} = 8 \text{ months } 15 \text{ days}$$

- ⑤ Compute the total creditable service by adding the unused sick leave (8 months 15 days) to the total civilian and military periods of service.
- ⑥ Compute the total service for computation purposes (37 years 6 months) by using whole years and months and dropping any extra days.

Example 2 (Cont.)

- ⑦ Compute the unreduced CSRS annuity.
 - a. Enter the high-3 average salary (\$65,448).
 - b. Enter the years and months of total service for computation purposes (37 years 6 months).
 - c. Use the CSRS Computation Chart for Law Enforcement Officers and Firefighters provided in section 54C1.1-1 to obtain the appropriate retirement factor. In this example, the retirement factor for the maximum annuity (which is attained at 35 years of service when using the law enforcement/firefighter computation) is .800000. However, Eugene has 8 months of sick leave that may be credited above the maximum amount. The retirement factor for 8 months of service is .013333, which is not shown on the CSRS Computation Chart for Law Enforcement Officers and Firefighters -- see computation in the following note. Therefore, the retirement factor to be used in this example is .813333 (.800000 plus .013333).

NOTE 1: For each year of service over 20 years, a law enforcement officer or firefighter receives 2 percent of his or her high-3 average salary. Thus, to obtain the retirement factor for the 8 months of unused sick leave that may be used in excess of the maximum annuity, multiply:

$$\frac{8 \text{ months}}{12 \text{ months}} (.666666) \times 2 \text{ percent} = .013333$$

NOTE 2: The employee will be eligible for a refund of excess deductions withheld after reaching the 80 percent limitation. (See 50A3.1-2(C).)

- d. Multiply the high-3 average salary (\$65,448) by the retirement factor (.813333), which equals the unreduced CSRS annuity (\$53,231.02).
- ⑧ Compute the monthly annuity.

- a. Enter the unreduced CSRS annuity from step 7 (\$53,231.02).

NOTE 1: A reduction for retirement before age 55 does not apply to employees who retire under the special provisions for law enforcement officers and firefighters.

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Example 2 (Cont.)

NOTE 2: In this example, the employee has no unpaid deposits for service prior to October 1, 1982.

- b. 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 \$53,231.02)
 - c. Multiply the first \$3,600 of the base selected by 2.5 percent, which equals \$90.
 - d. Multiply the remainder over \$3,600 (\$49,631.02) by 10 percent, which equals \$4,963.10.
 - e. Total the reduction for survivor annuity (\$5,053.10).
 - f. Subtract the total reduction for survivor annuity (\$5,053.10) from the unreduced CSRS annuity (\$53,231.02), which equals the annual annuity amount payable (\$48,177.92).
 - g. Divide the annual annuity amount payable (\$48,177.92) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$4,014).
- ⑨ Compute the monthly survivor annuity.
- a. Multiply the amount designated as the survivor base (\$53,231.02) by 55 percent, which equals the annual survivor rate (\$29,277.06).
 - b. Divide the annual survivor rate (\$29,277.06) by 12 and round to the next lower dollar to obtain the monthly survivor annuity rate (\$2,439).

Example 2 (Cont.)

COMPUTATION OF SERVICE CREDIT

YR MO DY

NAME: Eugene Singer

1990 19 31
DATE OF RETIREMENT: 1991 - 07 - 30
DATE OF BIRTH: 1931 - 08 - 15 ①
AGE: 59 - 11 - 16

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 54-10-01	91-07-30	Covered law enforcement	36	10	0
	③	TOTAL CIVILIAN/MILITARY	36	10	0
	④	UNUSED SICK LEAVE *		8	15
	⑤	TOTAL CREDITABLE SERVICE	36	18	15
	⑥	TOTAL SERVICE FOR COMPUTATION PURPOSES	37	6	

*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 2 (Cont.)**CSRS NONDISABILITY ANNUITY COMPUTATION****EMPLOYEE ANNUITY COMPUTATION**

High-3 Average Salary		\$ 65,448.00
Retirement Factor (37) yrs. (6) mos.	x	.813333
⑦ Unreduced CSRS Annuity		\$ 53,231.02
Reductions are made for:		
1) Under age 55	x	
Reduced Annuity		\$
2) Non-deposit for service prior to 10-1-82 (subtract 10% of deposit due)		-
Reduced Annuity		\$ 53,231.02
3) Survivor Annuity:		
Base selected by retiree	$\frac{\$53,231.02}{3,600.00} \times .025$	$=$ $\frac{\$ 90.00}{49,631.02}$
Amount up to \$3600	$-$	$=$ $+$ $\frac{\$ 90.00}{4,963.10}$
Amount over \$3600	$=$ $\frac{3,600.00}{49,631.02} \times .10$	$=$ $+$ $\frac{4,963.10}{5,053.10}$
Total Reduction	=	\$5,053.10
Annual Annuity		\$ 48,177.92
⑧ MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)		\$ 4,014.00

⑨ SURVIVOR ANNUITY COMPUTATION

Amount designated as survivor base		\$ 53,231.02
Spouse or former spouse entitled to 55% of survivor base	x	.55
Annual Survivor Annuity		\$ 29,277.06
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)		\$ 2,439.00

Example 3:

CSRS air traffic controller--Guaranteed minimum annuity with full survivor benefits:

Name:	Geraldine Martling
Date of Retirement:	8-1-91
Date of Birth:	11-5-40
Civilian Service:	7-12-68 to 8-1-91
Traffic Controller Service:	Covered Air
Unused Sick Leave:	638 hours
High-3 Average Salary:	\$51,739
Survivor Benefits:	Based on Full Annuity

- ① Compute age at separation to determine eligibility for retirement:

19 - 32	
90 - 07 - 02	
91 - 08 - 01	(Date of Retirement)
- 40 - 11 - 05	(Date of Birth)
50 - 08 - 27	(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 (7-12-68) in column A.
- b. Enter the last day of the period of service (8-1-91) 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

NOTE: Determine if nondeduction service occurred before, on or after October 1, 1982, and whether or not a deposit for the service has been made. If the nondeduction

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Example 3 (Cont.)

service was performed on or after October 1, 1982, the service counts toward eligibility to retire but is not used to compute the retirement benefit. (See Chapter 21 for additional information.)

- iii. Refunded: Retirement deductions were withheld and refunded

NOTE: If a redeposit for a refund based on service ending before October 1, 1990, is not paid, the service covered by the refund will be used to compute the employee's annuity under the general formula, but the annuity will be actuarially reduced. The annuity will not be reduced below the guaranteed minimum 50 percent benefit unless the service covered by the refund was air traffic controller service.

If a redeposit for a refund based on a period of service ending after September 30, 1990, is not paid, or deemed paid under the alternative annuity provision, the service counts toward eligibility to retire, but is not used to compute the retirement benefit. (See Chapter 21 for more information.) The 50 percent guaranteed minimum benefit can still be paid unless the service for which the redeposit is owed is air traffic controller service.

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

NOTE: See Chapter 22 for more information on creditable military service.

- v. Part-time: See Chapter 55

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

$$\begin{array}{r}
 32 \\
 07 - 02 \\
 91 - 08 - 01 \\
 - 68 - 07 - 12 \\
 \hline
 23 - 00 - 20 \quad (23 \text{ years } 20 \text{ days})
 \end{array}$$

Example 3 (Cont.)

- e. Follow steps a through d for subsequent periods of service.
- 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 provided in Chapter 50, section 50C1.1-1:
- 638 hours = 3 months 20 days
- ⑤ Compute the total creditable service by adding the unused sick leave (3 months 20 days) to the total civilian and military periods of service.
- ⑥ Compute the total service for computation purposes (23 years 4 months) by using whole years and months and dropping any extra days.
- ⑦ Compute the unreduced CSRS annuity.
- a. Enter the high-3 average salary (\$51,739).
- b. Enter the years and months of total service for computation purposes (23 years 4 months).
- c. For air traffic controllers who retire with at least 20 years but less than 26 years and 11 months of air traffic controller service, the retirement factor is .500000. Otherwise, use the CSRS General Formula Computation Chart provided in Chapter 50, section 50C1.1-1.
- d. Multiply the high-3 average salary (\$51,739) by the retirement factor (.500000), which equals the unreduced CSRS annuity (\$25,869.50).
- ⑧ Compute the monthly annuity.
- a. Enter the unreduced CSRS annuity from step 7 (\$25,869.50).

NOTE 1: A reduction for retirement before age 55 does not apply to employees who retire under the special provisions for air traffic controllers.

NOTE 2: In this example, the employee has no unpaid deposits for service prior to October 1, 1982.

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Example 3 (Cont.)

- b. 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 \$25,869.50).
 - c. Multiply the first \$3,600 of the base selected by 2.5 percent, which equals \$90.
 - d. Multiply the remainder over \$3,600 (\$22,269.50) by 10 percent, which equals \$2,226.95.
 - e. Total the reduction for survivor annuity (\$2,316.95).
 - f. Subtract the total reduction for survivor annuity (\$2,316.95) from the unreduced CSRS annuity (\$25,869.50), which equals the annual annuity amount payable (\$23,552.55).
 - g. Divide the annual annuity amount payable (\$23,552.55) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$1,962).
- ⑨ Compute the monthly survivor annuity.
- a. Multiply the amount designated as the survivor base (\$25,869.50) by 55 percent, which equals the annual survivor rate (\$14,228.23).
 - b. Divide the annual survivor rate (\$14,228.23) by 12 and round to the next lower dollar to obtain the monthly survivor annuity rate (\$1,185).

Example 3 (Cont.)

COMPUTATION OF SERVICE CREDIT

NAME: Geraldine Martling

YR MO DY
 1990 - 19 - 32
DATE OF RETIREMENT: ~~1991 - 08 - 01~~
DATE OF BIRTH: 1940 - 11 - 05 ①
AGE: 50 - 08 - 27

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 68-07-12	91-08-01	Covered air traffic controller	23	0	20
	③	TOTAL CIVILIAN/MILITARY	23	0	20
	④	UNUSED SICK LEAVE *		3	20
	⑤	TOTAL CREDITABLE SERVICE	23	3	40
	⑥	TOTAL SERVICE FOR COMPUTATION PURPOSES	23	4	

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

**Special Computation Formulas for Law Enforcement
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Example 3 (Cont.)**CSRS NONDISABILITY ANNUITY COMPUTATION****EMPLOYEE ANNUITY COMPUTATION**

High-3 Average Salary		\$ 51,739.00
Retirement Factor (23) yrs. (4) mos.	x	.500000
⑦	Unreduced CSRS Annuity	\$ 25,869.50
Reductions are made for:		
1) Under age 55	x	
	Reduced Annuity	\$
2) Non-deposit for service prior to 10-1-82 (subtract 10% of deposit due)		-
	Reduced Annuity	\$ 25,869.50
3) Survivor Annuity:		
Base selected by retiree	\$25,869.50	
Amount up to \$3600 -	<u>3,600.00</u>	x .025 = \$ 90.00
Amount over \$3600 =	<u>22,269.50</u>	x .10 = + 2,226.95
	Total Reduction =	\$2,316.95
	Annual Annuity	\$ 23,552.55
⑧	MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)	\$ 1,962.00

⑨ SURVIVOR ANNUITY COMPUTATION

Amount designated as survivor base		\$ 25,869.50
Spouse or former spouse entitled to 55% of survivor base	x	.55
	Annual Survivor Annuity	\$ 14,228.23
	MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)	\$ 1,185.00

Example 4:

CSRS air traffic controller--Earned annuity with less than full survivor benefits:

Name:	Russell Canfield
Date of Retirement:	9-30-91
Date of Birth:	10-6-31
Military Service:	5-12-53 to 9-30-63
Civilian Service:	9-24-71 to 10-1-91 - Covered air traffic controller service
Unused Sick Leave:	1072 hours
High-3 Average Salary:	\$60,815
Survivor Benefits:	Based on Less than Full Annuity

① Compute age at separation to determine eligibility for retirement:

90 - 21 - 31	
91 - 09 - 30	(Date of Retirement)
- <u>31 - 10 - 06</u>	(Date of Birth)
59 - 11 - 25	(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 (5-12-53) in column A.
- b. Enter the last day of the period of service (9-30-63) 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

NOTE: Determine if nondeduction service occurred before, 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, the service counts toward eligibility to retire but is not used to compute the retirement benefit. (See Chapter 21 for additional information.)

**Special Computation Formulas for Law Enforcement
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Example 4 (Cont.)

- iii. Refunded: Retirement deductions were withheld and refunded

NOTE: If a redeposit for a refund based on service ending before October 1, 1990, is not paid, the service covered by the refund will be used to compute the employee's annuity under the general formula, but the annuity will be actuarially reduced. The annuity will not be reduced below the guaranteed minimum 50 percent benefit unless the service covered by the refund was air traffic controller service.

If a redeposit for a refund based on a period of service ending after September 30, 1990, is not paid, or deemed paid under the alternative annuity provision, the service counts toward eligibility to retire, but is not used to compute the retirement benefit. (See Chapter 21 for more information.) The 50 percent guaranteed minimum benefit can still be paid unless the service for which the redeposit is owed is air traffic controller service.

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

NOTE: See Chapter 22 for more information about creditable military service.

- v. Part-time: See Chapter 55

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

$$\begin{array}{r}
 31 \\
 63 - 09 - 30 \\
 - 53 - 05 - 12 \\
 \hline
 10 - 04 - 19 \quad (10 \text{ years } 4 \text{ months } 19 \text{ days})
 \end{array}$$

- e. Follow steps a through d for subsequent periods of service.
- ③ Total the civilian and military periods of service in column D.
- ④ Determine how much credit is allowed for unused sick leave by using the 2087 Sick Leave Chart provided in Chapter 50, section 50C1.1-1:

$$1072 \text{ hours} = 6 \text{ months } 5 \text{ days}$$

Example 4 (Cont.)

- ⑤ Compute the total creditable service by adding the unused sick leave (6 months 5 days) to the total civilian and military periods of service.
- ⑥ Compute the total service for computation purposes (30 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 salary (\$60,815).
 - b. Enter the years and months of total service for computation purposes (30 years 11 months).
 - c. For air traffic controllers who retire with at least 20 years but less than 26 years and 11 months of air traffic controller service, the retirement factor is .500000. Otherwise, use the CSRS General Formula Computation Chart provided in Chapter 50, section 50C1.1-1. In this example, the appropriate retirement factor for 30 years 11 months of service (.580833) must be obtained from the CSRS General Formula Computation Chart.
 - d. Multiply the high-3 average salary (\$60,815) by the retirement factor (.580833), which equals the unreduced CSRS annuity (\$35,323.36).
- ⑧ Compute the monthly annuity.
 - a. Enter the unreduced CSRS annuity from step 7 (\$35,323.36).

NOTE 1: A reduction for retirement before age 55 does not apply to employees who retire under the special provisions for air traffic controllers.

NOTE 2: In this example, the employee has no unpaid deposits for service prior to October 1, 1982.

- b. Enter the base selected by the retiree for the survivor annuity. (In this example, the retiree has selected less than the full annuity, or \$20,000, as the base.)
- c. Multiply the first \$3,600 of the base selected by 2.5 percent, which equals \$90.
- d. Multiply the remainder over \$3,600 (\$16,400) by 10 percent, which equals \$1,640.

Example 4 (Cont.)

- e. Total the reduction for survivor annuity (\$1,730).

**Special Computation Formulas for Law Enforcement
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- f. Subtract the total reduction for survivor annuity (\$1,730) from the unreduced CSRS annuity (\$35,323.36), which equals the annual annuity amount payable (\$33,593.36).
- g. Divide the annual annuity amount payable (\$33,593.36) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$2,799).
- ⑨ Compute the monthly survivor annuity.
 - a. Multiply the amount designated as the survivor base (\$20,000) by 55 percent, which equals the annual survivor rate (\$11,000).
 - b. Divide the annual survivor rate (\$11,000) by 12 and round to the next lower dollar to obtain the monthly survivor annuity rate (\$916).

Example 4 (Cont.)

COMPUTATION OF SERVICE CREDIT

	YR	MO	DY	
NAME: Russell Canfield				1990 21 31
	DATE OF RETIREMENT:	<u>1991</u>	- <u>09</u> -	<u>30</u>
	DATE OF BIRTH:	<u>1931</u>	- <u>10</u> -	<u>06</u> ①
	AGE:	<u>59</u>	- <u>11</u> -	<u>25</u>

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)		
STARTING YR-MO-DY	ENDING YR-MO-DY	COVERED/REFUNDED/NONDEDUCTION/MILITARY	YRS	MOS	DAYS
② 53-05-12	63-09-30	Military	10	4	19
71-09-24	91-10-01	Covered air traffic controller	20	0	8
③ TOTAL CIVILIAN/MILITARY			30	4	27
④ UNUSED SICK LEAVE *				6	5
⑤ TOTAL CREDITABLE SERVICE			30	10	32
⑥ TOTAL SERVICE FOR COMPUTATION PURPOSES			30	11	

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

**Special Computation Formulas for Law Enforcement
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Example 4 (Cont.)**CSRS NONDISABILITY ANNUITY COMPUTATION****EMPLOYEE ANNUITY COMPUTATION**

High-3 Average Salary		\$ 60,815.00
Retirement Factor (30) yrs. (11) mos.	x	.580833
⑦ Unreduced CSRS Annuity		\$ 35,323.36
Reductions are made for:		
1) Under age 55	x	
Reduced Annuity		\$
2) Non-deposit for service prior to 10-1-82 (subtract 10% of deposit due)		-
Reduced Annuity		\$ 35,323.36
3) Survivor Annuity:		
Base selected by retiree	<u>\$20,000.00</u>	
Amount up to \$3600	- <u>3,600.00</u> x .025 =	\$ <u>90.00</u>
Amount over \$3600	= <u>16,400.00</u> x .10 =	+ <u>1,640.00</u>
Total Reduction	=	\$1,730.00
Annual Annuity		\$ 33,593.36
⑧ MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)		\$ 2,799.00

⑨ SURVIVOR ANNUITY COMPUTATION

Amount designated as survivor base		\$ 20,000.00
Spouse or former spouse entitled to 55% of survivor base	x	.55
Annual Survivor Annuity		\$ 11,000.00
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)		\$ 916.00

Example 5: FERS firefighter--Optional retirement with less than full survivor benefits:

Name: Vivian Daniels
Date of Retirement: 2-28-2013
Date of Birth: 2-17-1965
Civilian Service: 3-1-1987 to 2-28-2013
Covered Firefighter Service
High-3 Average Salary: \$54,836
Survivor Benefits: Based on One-half Annuity

- ① Compute age at separation to determine eligibility for retirement:

29
2013 - 02 - ~~28~~ (Date of Retirement)
- 1965 - 02 - 17 (Date of Birth)

48 - 00 - 12 (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 (3-1-87) in column A.
- b. Enter the last day of the period of service (2-28-2013) 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 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.)

**Special Computation Formulas for Law Enforcement
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Example 5 (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. (See Chapter 21.)

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

NOTE: See Chapter 22 for more information about creditable military service.

v. Part-time: See Chapter 55

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

$$\begin{array}{r}
 2012 - 14 - 31 \\
 2013 - 02 - 28 \\
 - 1987 - 03 - 01 \\
 \hline
 25 - 11 - 30 \quad (26 \text{ years})
 \end{array}$$

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

- ③ Total the civilian and military periods of service in column D.
- ④ Compute the total service for computation purposes (26 years) by using whole years and months and dropping any extra days.
- ⑤ Compute the unreduced FERS basic annuity.
 - a. Enter the high-3 average salary (\$54,836).
 - b. Enter the years and months of total service for computation purposes (26 years).
 - c. Use the FERS 1.7 Percent Accrual Factor Chart provided in section 54C1.1-1 to obtain the retirement factor for 26 years service (.400000).
 - d. Multiply the high-3 average salary (\$54,836) by the retirement factor (.400000), which equals the unreduced FERS basic annuity (\$21,934.40).

Example 5 (Cont.)

- ⑥ Compute the monthly annuity.
- a. Enter the unreduced FERS basic annuity from step 5 (\$21,934.40).
- NOTE: A reduction for age does not apply for employees retiring under the special provisions for law enforcement officers, firefighters, and air traffic controllers.
- b. Enter the base selected by the retiree for the survivor annuity (\$10,967.20).
 - c. Multiply the base selected (\$10,967.20) by 10 percent, which equals the total survivor reduction (\$1,096.72).
 - d. Subtract the total survivor reduction (\$1,096.72) from the basic annuity (\$21,934.40), which equals the annual annuity (\$20,837.68).
 - e. Divide the annual annuity (\$20,837.68) by 12 and round to the next lower dollar to obtain the monthly annuity amount payable (\$1,736).
- ⑦ Compute the monthly survivor annuity.
- a. Multiply the amount designated as the survivor base (\$10,967.20) by 50 percent, which equals the annual survivor rate (\$5,483.60).
 - b. Divide the annual survivor rate (\$5,483.60) by 12 and round to the next lower dollar to obtain the monthly survivor annuity rate (\$456).

Example 5 (Cont.)

**FERS BASIC ANNUITY COMPUTATION
NONDISABILITY**

EMPLOYEE ANNUITY COMPUTATION

⑤ High-3 Average Salary	\$ 54,836.00
Retirement Factor (26) yrs. (0) mos.	x .400000
Unreduced FERS Basic Annuity	\$ 21,934.40
Reductions are made for:	
1) Under age 62 (not 60/20 or MRA/30)	x
Reduced Annuity	\$ 21,934.40
2) Survivor Annuity:	
Base selected by retiree	\$10,967.20 (full or one-half)
	x .10
Total reduction	<u>\$ 1,096.72</u>
	- 1,096.72
Annual Annuity	\$ 20,837.68
⑥ MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)	\$ 1,736.00

⑦ SURVIVOR ANNUITY COMPUTATION

Survivor Base Selected (full or one-half)	\$ 10,967.20
Spouse or former spouse entitled to 50% of survivor base	x .50
Annual Survivor Annuity	\$ 5,483.60
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)	\$ 456.00

Example 6:

FERS air traffic controller--Optional retirement with full survivor benefits:

Name:	Eric DeMott
Date of Retirement:	5-30-2008
Date of Birth:	12-26-1953
Civilian Service:	5-22-1988 to 5-30-2008 - Covered Air Traffic Controller Service
High-3 Average Salary:	\$58,906
Survivor Benefits:	Based on Full Annuity

- ① Compute age at separation to determine eligibility for retirement:

2007 - 17 - 31	
2008 - 05 - 30	(Date of Retirement)
- <u>1953 - 12 - 26</u>	(Date of Birth)
54 - 05 - 05	(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 (5-22-88) in column A.
- b. Enter the last day of the period of service (5-30-2008) 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 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.)

Example 6 (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. (See Chapter 21.)

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

NOTE: See Chapter 22 for more information about creditable military service.

v. Part-time: See Chapter 55

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

$$\begin{array}{r}
 31 \\
 2008 - 05 - 30 \\
 - 1988 - 05 - 22 \\
 \hline
 20 - 00 - 09 \qquad (20 \text{ years } 9 \text{ days})
 \end{array}$$

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

- ③ Total the civilian and military periods of service in column D.
- ④ Compute the total service for computation purposes (20 years) by using whole years and months and dropping any extra days.
- ⑤ Compute the unreduced FERS basic annuity.
 - a. Enter the high-3 average salary (\$58,906).
 - b. Enter the years and months of total service for computation purposes (20 years).
 - c. Use the FERS 1.7 Percent Accrual Factor Chart provided in section 54C1.1-1 to obtain the retirement factor for 20 years of air traffic controller service (.340000).
 - d. Multiply the high-3 average salary (\$58,906) by the retirement factor (.340000), which equals the unreduced FERS basic annuity (\$20,028.04).

Example 6 (Cont.)

- ⑥ Compute the monthly annuity.
- a. Enter the unreduced FERS basic annuity from step 5 (\$20,028.04).
- NOTE: A reduction for age does not apply for employees retiring under the special provisions for law enforcement officers, firefighters, and air traffic controllers.
- b. Enter the base selected by the retiree for the survivor annuity (\$20,028.04).
 - c. Multiply the base selected (\$20,028.04) by 10 percent, which equals the total survivor reduction (\$2,002.80).
 - d. Subtract the total survivor reduction (\$2,002.80) from the basic annuity (\$20,028.04), which equals the annual annuity (\$18,025.24).
 - e. Divide the annual annuity (\$18,025.24) by 12 and round to the next lower dollar to obtain the monthly annuity amount payable (\$1,502).
- ⑦ Compute the monthly survivor annuity.
- a. Multiply the amount designated as the survivor base (\$20,028.04) by 50 percent, which equals the annual survivor rate (\$10,014.02).
 - b. Divide the annual survivor rate (\$10,014.02) by 12 and round to the next lower dollar to obtain the monthly survivor annuity rate (\$834).

Example 6 (Cont.)

COMPUTATION OF SERVICE CREDIT

	YR	MO	DY	
NAME: Eric DeMott				
	DATE OF RETIREMENT:	2007	17	31
		2008	05	30
	DATE OF BIRTH:	1953	12	26 ①
	AGE:	54	05	05

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
② 1988-05-22	2008-05-30	Covered air traffic controller	20	0	9
③ TOTAL CIVILIAN/MILITARY			20	0	9
UNUSED SICK LEAVE *					
TOTAL CREDITABLE SERVICE					
④ TOTAL SERVICE FOR COMPUTATION PURPOSES			20	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 6 (Cont.)

**FERS BASIC ANNUITY COMPUTATION
NONDISABILITY**

EMPLOYEE ANNUITY COMPUTATION

⑤ High-3 Average Salary		\$ 58,906.00
Retirement Factor (20) yrs. (0) mos.		x .340000
Unreduced FERS Basic Annuity		\$ 20,028.04
Reductions are made for:		
1) Under age 62 (not 60/20 or MRA/30)		x
Reduced Annuity		\$ 20,028.04
2) Survivor Annuity:		
Base selected by retiree	<u>\$20,028.04</u>	(full or one-half)
	x <u>.10</u>	
Total reduction	<u>\$ 2,002.80</u>	
		- 2,002.80
Annual Annuity		\$ 18,025.24
⑥ MONTHLY ANNUITY (Divide by 12, round down to next lower dollar)		\$ 1,502.00

⑦ SURVIVOR ANNUITY COMPUTATION

Survivor Base Selected (full or one-half)		\$ 20,028.04
Spouse or former spouse entitled to 50% of survivor base		x .50
Annual Survivor Annuity		\$ 10,014.02
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)		\$ 834.00

Example 7:

FERS law enforcement officer who transferred to FERS--Optional retirement with full survivor benefits:

Name:	Dale Richmond
Date of Retirement:	1-31-2001
Date of Birth:	12-13-1950
Military Service:	9-6-1970 to 9-5-1972
Civilian Service:	6-20-1976
	Career Appointment(CSRS)
	12-20-1987 Transfer (FERS)
	1-31-2001 Retired
Unused Sick Leave:	Date of Transfer = 1500 hours
	Date of Retirement = 916 hours
High-3 Average Salary:	\$58,613
Survivor Benefits:	Based on Full Annuity

- ① Compute age at separation to determine eligibility for retirement:

$$\begin{array}{r}
 2000 - 13 \\
 \underline{2001 - 01 - 31} \quad \text{(Date of Retirement)} \\
 - \underline{1950 - 12 - 13} \quad \text{(Date of Birth)} \\
 \hline
 50 - 01 - 18 \quad \text{(Age at Separation)}
 \end{array}$$

- 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 (9-6-70) in column A.
- b. Enter the last day of the period of service (9-5-72) 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 7 (Cont.)

- ii. Nondeduction: Retirement deductions were not withheld

NOTE: Under CSRS, determine if nondeduction service occurred before, 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, the service counts toward eligibility to retire but is not used to compute the retirement benefit. (See Chapter 21 for additional information.)

- iii. Refunded: Retirement deductions were withheld and refunded

NOTE: Under CSRS, if a redeposit for a refund based on a period of service ending before October 1, 1990, is not paid, the service covered by the refund is creditable for both eligibility and computation purposes, but the annuity will be actuarially reduced.

If a redeposit for a refund based on a period of service ending after September 30, 1990, is not paid, the service covered by the refund counts toward eligibility to retire but is not used to compute the retirement benefit. (See Chapter 21 for more information.)

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

NOTE: See Chapter 22 for more information about creditable military service.

- v. Part-time: See Chapter 55

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

$$\begin{array}{r}
 06 \\
 72 - 09 - 05 \\
 - 70 - 09 - 06 \\
 \hline
 02 - 00 - 00 \quad (2 \text{ years})
 \end{array}$$

- e. Follow steps a through d for subsequent periods of CSRS service until the day before the date of transfer (12-19-87).

Example 7 (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 provided in Chapter 50, section 50C1.1-1:

916 hours = 5 months 8 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 (5 months 8 days) to the total civilian and military periods of service.
- ⑥ Compute the total CSRS service for computation purposes (13 years 11 months) by using whole years and months and dropping any extra days.
- ⑦ Compute FERS creditable service for annuity computation purposes.
 - a. Enter periods of creditable service beginning with the date of transfer (12-20-87).
 - 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.)

Example 7 (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. (See Chapter 21.)

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

NOTE: See Chapter 22 for more information about creditable military service.

v. Part-time: See Chapter 55

c. Total the civilian and military periods of service in column D (13 years 1 month 11 days).

NOTE: No credit for unused sick leave is applied to the FERS service.

d. Compute the total service for computation purposes (13 years 1 month) by using whole years and months and dropping any extra days.

⑧ Compute unreduced CSRS basic annuity.

a. Enter the high-3 average salary (\$58,613).

b. Enter the years and months of CSRS service from step 6 above (13 years 11 months).

c. Use Chart 1, the CSRS Computation Chart for Law Enforcement Officers and Firefighters, provided in section 54C1.1-1 to obtain the retirement factor for 11 years 6 months of law enforcement service (.287500). A separate retirement factor must be used for the 2 years 5 months of additional service (2 years of military service and 5 months of sick leave) because the employee is not entitled to the 2.5 percent accrual for service other than law enforcement service (see section 54A3.1-1). To obtain the factor for the non-law enforcement service, multiply .02 by the factor for 2 years 5 months, using the 360 Day Factor Chart in Chapter 50, section 50C1.1-1 ($.02 \times 2.416667 = .048333$). The combined retirement factor for the CSRS earned benefit is, therefore, .335833 (.287500 plus .048333).

Example 7 (Cont.)

- d. Multiply the high-3 average salary (\$58,613) by the retirement factor (.335833), which equals the CSRS earned annuity benefit (\$19,684.18).

⑨ Compute reduced CSRS annuity.

The reduction for retirement under age 55 does not apply to employees who retire under the special provisions for law enforcement officers and firefighters. In addition, the employee in this example does not owe a deposit for nondeduction service performed before October, 1 1982. Therefore, the reduced CSRS annuity is \$19,684.18.

⑩ Compute the FERS basic annuity.

- a. Enter the high-3 average salary (\$58,613).
- b. Enter the years and months of FERS service from step 7 (13 years 1 month).
- c. The FERS 1.7 Percent Accrual Factor Chart in section 54C1.1-1 should be used to obtain the retirement factor for 13 years 1 month of law enforcement service (.222417).
- d. Multiply the retirement factor (.222417) by the high-3 average salary (\$58,613), which equals the FERS earned basic annuity benefit (\$13,036.53).

⑪ Compute the total monthly basic annuity.

- a. Add the FERS earned annuity from step 10 (\$13,036.53) to the CSRS earned annuity from step 9 (\$19,684.18), which equals the total unreduced basic annuity (\$32,720.71).

NOTE: A reduction for age does not apply for employees retiring under the special provisions for law enforcement officers, firefighters, and air traffic controllers.

- b. Enter the base selected by the retiree for the survivor annuity (\$32,720.71).
- c. Multiply the base selected (\$32,720.71) by 10 percent, which is the total survivor reduction (\$3,272.07).

Example 7 (Cont.)

- d. Subtract the total survivor reduction (\$3,272.07) from the total unreduced basic annuity (\$32,720.71), which equals the annual basic annuity (\$29,448.64).
- e. Divide the annual basic annuity (\$29,448.64) by 12 and round to the next lower dollar to obtain the monthly annuity rate (\$2,454).
- ⑫ Compute the monthly survivor annuity.
 - a. Multiply the amount designated as the survivor base (\$32,720.71) by 50 percent, which equals the annual survivor rate (\$16,360.36).
 - b. Divide the annual survivor rate (\$16,360.36) by 12 and round to the next lower dollar to obtain the monthly survivor annuity rate (\$1,363).

Example 7 (Cont.)

COMPUTATION OF SERVICE CREDIT

NAME: Dale Richmond

DATE OF RETIREMENT: 2000 13
~~2001~~ - ~~01~~ - 31

DATE OF BIRTH: 1950 - 12 - 13 ①

AGE: 50 - 01 - 18

TYPE OF SERVICE SHOWN
<input type="checkbox"/> CSRS
<input type="checkbox"/> FERS
<input checked="" 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 70-09-06	72-09-05	Military	2	0	0
76-06-20	87-12-19	Covered law enforcement	11	6	0
	③	TOTAL CIVILIAN/MILITARY	13	6	0
	④	UNUSED SICK LEAVE *		5	8
	⑤	TOTAL CREDITABLE SERVICE	13	11	8
	⑥	TOTAL SERVICE FOR COMPUTATION PURPOSES	13	11	

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

**Special Computation Formulas for Law Enforcement
Officers, Firefighters, and Air Traffic Controllers
Chapter 54**

FERS**Example 7 (Cont.)****COMPUTATION OF SERVICE CREDIT****YR MO DY****NAME: Dale Richmond**

DATE OF RETIREMENT: $\frac{2000}{2001} - \frac{13}{01} - \frac{31}{31}$
 DATE OF BIRTH: $\frac{1950}{1950} - \frac{12}{12} - \frac{13}{13}$
 AGE: $\frac{50}{50} - \frac{01}{01} - \frac{18}{18}$

TYPE OF SERVICE SHOWN
<input type="checkbox"/> CSRS
<input checked="" type="checkbox"/> FERS
<input type="checkbox"/> 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			
⑦ 1987-12-20	2001-01-31	Covered law enforcement	13	1	11
TOTAL CIVILIAN/MILITARY					
UNUSED SICK LEAVE *					
TOTAL CREDITABLE SERVICE			13	1	11
TOTAL SERVICE FOR COMPUTATION PURPOSES			13	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 7 (Cont.)

**FERS TRANSFEREE NONDISABILITY
ANNUITY COMPUTATION**

CSRS BASIC ANNUITY COMPUTATION

High-3 Average Salary	\$ 58,613.00
Retirement Factor for CSRS service (13) yrs. (11) mos.	x .335833
⑧ Unreduced CSRS Basic Annuity	\$ 19,684.18
Reductions are made for:	
1) Under age 55	x
Reduced CSRS Annuity	\$
2) Non-deposit for service prior to 10-1-82 (Subtract 10% of deposit due)	-
⑨ Reduced CSRS Annuity	\$ 19,684.18

FERS BASIC ANNUITY COMPUTATION ⑩

High-3 Average Salary	\$ 58,613.00
Retirement Factor for FERS service (13) yrs. (01) mos.	x .222417
Unreduced FERS Basic Annuity	\$ 13,036.53

Example 7 (Cont.)

**FERS TRANSFEEE NONDISABILITY
ANNUITY COMPUTATION
(Continued)**

TOTAL BASIC ANNUITY COMPUTATION (11)

Unreduced FERS Basic Annuity <u>\$13,036.53</u> + Reduced CSRS Annuity <u>\$19,684.18</u>	\$ 32,720.71
Reductions are made for:	
1) Under age 62 (not 60/20 or MRA/30)	x
Reduced Annuity	\$ 32,720.71
2) Survivor Annuity:	
Base selected by retiree	<u>\$32,720.71</u> (full or one-half)
	x <u>.10</u>
Total reduction	<u>\$ 3,272.07</u>
	- 3,272.07
Annual Annuity	\$ 29,448.64
MONTHLY BASIC ANNUITY (Divide by 12, round down to next lower dollar)	\$ 2,454.00

SURVIVOR ANNUITY COMPUTATION (12)

Survivor Base Selected (full or one-half)	\$ 32,720.71
Spouse or former spouse entitled to 50% of survivor base	x .50
Annual Survivor Annuity	\$ 16,360.36
MONTHLY SURVIVOR ANNUITY (Divide by 12, round down to next lower dollar)	\$ 1,363.00