

Federal Employee Retirement System

(FERS)

Computation

If the retiree is 55 years old and 30 years of service level 5-0

1% X Highest 36 months of service

1% X 40,993 X 30 = 12,300 annual

12 ÷ 12,300 = 1,025 month

An annuity supplement, where applicable

If the retiree is 62 and older and has 20 or more years of service

1.1% X Highest 36 months of service

1.1% X 40,993 X 30 = 13,528 annual

13,528 ÷ 12 = 1,127 month GWS

Annuity supplement not payable

Retiree Annuity Supplement (FERS)

The retiree annuity supplement is a benefit paid to certain FERS employees who retire before age 62. The supplement is an estimate of the amount of social security benefits earned during FERS service.

FERS employees are eligible for the supplement at or after the minimum retirement age 55-57 with 30 years of service 60 years with 20 years of service.

MRA for employees retiring under discontinued service or early voluntary retirement provisions.

For individuals who do not attain their full retirement age in 2003, the supplement is subject to the same earnings test that applies to the payment of social security old age benefits. Earnings in excess of the amount under social security (11,520 in 2003) will reduce the annuity supplement by \$1 for every \$2 earned in excess of the exempt amount.

For those who attain their full retirement age (FRA) in 2003, their social security benefits will be reduced \$1 for every \$3 earned over \$30,720. The earning test does not apply after the individual reaches his or her FRA.