

FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS)

Retirement

All federal civilian workers first hired after 1983 are automatically covered by FERS, created by Congress as a result of the expansion of the Social Security to federal employment, beginning in 1984. In FERS, workers who leave before eligibility for immediate benefits can begin to draw benefits at earlier ages than can workers under CSRS. Retirement benefits are secured by the political commitment of the federal government to honor its agreements with its retired employees, a commitment that can only be altered by a change in law.

Eligibility to Retire

Benefits under FERS are payable to workers at age 60 with 20 years of service, or at age 62 with 5 years of service. Benefits are also available after 30 years of service at the “minimum retirement age” (MRA), which is age 55, until the year 2002, when it begins to climb by 2 months per year in coordination with the gradual rise in the age of unreduced benefits under Social Security. Thus, the MRA reaches age 56 in 2009, where it remains until the year 2020; beginning in 2021 it rises by 2 months per year reaching 57 in the year 2026.

Retirement Annuities and Survivor Benefits

Under FERS, provision can be made for continuing benefits to survivors in the event of the death of the retiree. If you are married and elect a survivor annuity when you retire, your annuity will be automatically computed to provide an annuity to your widow or widower unless you and your spouse state in writing that you do not wish your spouse to receive an annuity upon your death. If you select this option your monthly income will be reduced. Upon your death after retirement the survivor will receive an annuity of 50% of your monthly income.

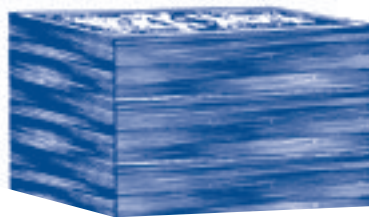
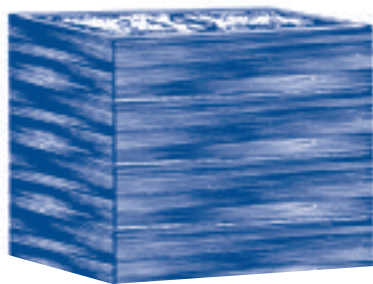
Reduced Benefits for Early Retirement

Workers are able to retire at the MRA with 10 years of service, with reductions of 5% for each year the worker is under age 62 at retirement. This option does not exist under CSRS. The computation formula for a FERS retirement benefit depends on the age of retirement, how many years of service, and the “high-3” average salary. Computation formula is: (1) if retiree is under age 62 or has less than 20 years, then it is 1% x years of service; (2) if retiree is at least age 62 and has at least 20 years of service, then it is 1.1% x “high-3” x years of service.

Income Before Retirement

Income After Retirement

Surviving Spouse Income



If you select the Survivor Annuity Plan, your spouse will receive approximately 50% of your retirement income upon your death

Length of Service

Monthly Income

Reduced Monthly Income

Loss In Monthly Income

Surviving Spouse Income

_____ \$ _____

\$ _____

\$ _____

\$ _____

* Based on 30 Years of Accredited Service

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MONTHLY BASIC ANNUITY AMOUNTS BASED ON “HIGH-3” SALARY AND YEARS OF SERVICE FOR EMPLOYEES
(Second Line of each salary level reflects annuity with survivor deduction.)

YEARS OF CREDITABLE SERVICE

HIGHEST 3 YEAR AVERAGE SALARY	5	10	15	16	17	18	19	20	21	22	23	24	25	30	35	40	42
20,000	83	167	250	267	283	300	317	333	350	367	383	400	417	500	583	667	700
	75	150	225	240	255	270	285	300	315	330	345	360	375	450	525	600	630
23,000	96	192	288	307	326	345	364	383	403	422	441	460	479	575	671	767	805
	86	173	259	276	293	311	328	345	362	380	397	414	431	518	604	690	725
26,000	108	217	323	347	368	390	412	433	455	477	498	521	542	650	758	867	910
	98	195	293	312	332	351	371	390	410	429	449	468	488	585	683	780	819
30,000	125	250	375	400	425	450	475	500	525	550	575	600	625	750	875	1000	1050
	113	225	338	360	383	405	428	450	473	495	518	540	563	675	788	900	945
33,000	138	275	413	440	468	495	523	550	578	605	633	660	688	825	963	1100	1155
	124	248	371	396	421	446	470	495	520	545	569	594	619	743	866	990	1040
36,000	150	300	450	480	510	540	570	600	630	660	690	720	750	900	1050	1200	1260
	135	270	405	432	459	486	513	540	567	594	621	648	675	810	945	1080	1134
40,000	167	333	500	533	567	600	633	667	700	733	767	800	833	1000	1167	1333	1400
	150	300	450	480	510	540	570	600	630	660	690	720	750	900	1050	1200	1260
43,000	179	358	538	573	609	645	681	717	753	788	824	860	896	1075	1254	1433	1505
	161	323	484	516	548	581	613	645	671	710	742	774	806	968	1129	1290	1355
46,000	192	383	575	613	652	690	728	767	805	843	882	920	958	1150	1342	1533	1610
	173	345	518	552	587	621	656	690	725	759	794	828	863	1035	1208	1380	1449
50,000	208	417	625	667	708	750	792	833	875	917	958	1000	1042	1250	1458	1667	1750
	188	375	563	600	638	675	713	750	788	825	863	900	938	1125	1313	1500	1575
53,000	221	442	663	707	751	795	839	883	928	972	1016	1060	1104	1325	1546	1767	1855
	199	398	596	636	676	716	755	795	835	875	914	954	994	1193	1391	1690	1670
56,000	233	467	700	747	793	840	887	933	980	1027	1073	1120	1167	1400	1633	1867	1960
	210	420	630	672	714	756	798	840	882	924	966	1008	1050	1260	1470	1680	1764
60,000	250	500	750	800	850	900	950	1000	1050	1100	1150	1200	1250	1500	1750	2000	2100
	225	450	675	720	765	810	855	900	945	990	1035	1080	1125	1350	1575	1800	1890
63,000	263	525	788	840	893	945	998	1050	1103	1155	1208	1260	1313	1575	1838	2100	2205
	236	473	709	756	803	851	898	945	992	1040	1087	1134	1188	1418	1654	1890	1985
66,000	275	550	825	880	935	990	1045	1100	1155	1210	1265	1320	1375	1650	1925	2200	2310
	248	495	743	792	842	891	941	990	1040	1089	1139	1188	1238	1485	1733	1980	2079
70,000	292	583	875	933	992	1050	1108	1167	1225	1283	1342	1400	1458	1750	2042	2333	2450
	263	525	788	840	893	945	998	1050	1103	1155	1208	1260	1313	1575	1838	2100	2205
73,000	304	608	913	973	1034	1095	1156	1217	1278	1338	1399	1460	1521	1825	2129	2433	2555
	274	548	821	876	931	986	1040	1095	1150	1205	1259	1314	1369	1643	1916	2190	2300
76,000	317	633	950	1013	1077	1140	1203	1267	1330	1393	1457	1520	1583	1900	2217	2533	2660
	285	570	855	912	969	1026	1083	1140	1197	1254	1311	1368	1425	1710	1995	2280	2394
80,000	333	667	1000	1067	1133	1200	1267	1333	1400	1467	1533	1600	1667	2000	2333	2667	2800
	300	600	900	960	1020	1080	1140	1200	1260	1320	1380	1440	1500	1800	2100	2400	2520
83,000	346	692	1038	1107	1176	1245	1314	1383	1453	1522	1591	1660	1729	2075	2421	2767	2905
	311	623	934	996	1058	1121	1183	1245	1307	1370	1432	1494	1556	1868	2179	2490	2615
86,000	358	717	1075	1147	1218	1290	1362	1433	1505	1577	1648	1720	179-2	2150	2508	2867	3010
	323	645	968	1032	1097	1161	1226	1290	1355	1419	1484	1548	1613	1935	2258	2580	2709
90,000	375	750	1125	1200	1275	1350	1425	1500	1575	1650	1725	1800	1875	2250	2625	3000	3150
	338	675	1013	1080	1148	1215	1283	1350	1418	1485	1553	1620	1688	2025	2363	2700	2835
93,000	388	775	1163	1240	1318	1395	1473	1550	1628	1705	1783	1860	1938	2325	2713	3100	3255
	349	698	1046	1116	1186	1256	1325	1395	1465	1535	1604	1674	1744	2093	2441	2790	2930
96,000	400	800	1200	1280	1360	1440	1520	1600	1680	1760	1840	1920	2000	2400	2800	3200	3360
	360	720	1080	1152	1224	1296	1368	1440	1512	1584	1656	1728	1800	2160	2530	2880	3024
100,000	417	833	1250	1333	1417	1500	1583	1667	1750	1833	1917	2000	2083	2500	2917	3333	3501
	375	750	1125	1200	1275	1350	1425	1500	1575	1650	1725	1800	1875	2250	2625	3000	3150
110,000	458	917	1375	1467	1558	1650	1742	1833	1925	2017	2108	2200	2292	2750	3208	3667	3850
	413	825	1238	1320	1403	1485	1568	1650	1733	1815	1898	1980	2063	2475	2888	3300	3465