Table of Contents

Subchapter 61A CSRS

Part 61A1 General Information

Part 61A2 Computation of a Disability Annuity

Subchapter 61B FERS

Subchapter 61A CSRS

Part 61A1 General Information

Section 61A1.1-1 Overview

A.	**Introduction**	This subchapter contains the rules and procedures that apply to the computation of a disability annuity under CSRS.
		Subchapter 61C provides illustrations of actual computations.
B.	**Topics Covered**	This subchapter covers:

- The formula used to compute a disability annuity under CSRS;

- The reductions that may be applied to a CSRS disability annuity; and

- The effect of military retired pay and VA compensation on disability retirement benefits.

C. Organization of Subchapter

The CSRS subchapter has two parts.

Part	Name of Part	Page
61A1	General Information	1
61A2	Computation of a Disability Annuity	3

NOTE: Subchapter 61B about the completion of disability annuities under FERS begins on page 10.

D. Statement of Authority

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

- United States Code: 5 U.S.C. 8339

- Code of Federal Regulations: 5 CFR Part 831

Section 61A1.1-2 Applicability of Chapter 50

A. General

There are several components to the basic annuity. These components are discussed in detail in Chapter 50, Computation of Annuity under the General Formula. Certain components are common to all annuity computations, including the computation of a disability annuity.

The following provisions of Chapter 50, part 50A2, apply in the computation of a disability annuity.

- Section 50A2.1-3: Computing Length of Service Period(s)

- Section 50A2.1-4: High-3 Average Salary

- Section 50A2.1-5: Basic Pay Rates

Part 61A2 Computation of a Disability Annuity

Section 61A2.1-1 Disability Computation

A. General	A CSRS disability annuitant receives the **higher** of:

1. The amount obtained under the general formula for computing the basic annual annuity (the "earned annuity"); or

2. The "guaranteed minimum" disability annuity.

The formulas and how they are applied are discussed in the paragraphs that follow.

B. Earned Annuity Computation	The amount of annuity under the general formula or the "earned annuity" is computed for most employees as follows:

1. 1.5 percent x high-3 average salary x first 5 years of service; plus

2. 1.75 percent x high-3 average salary x years of service between 5 and 10 years; plus

3. 2 percent x high-3 average salary x years of service over 10 years.

NOTE 1:   This formula does not apply for a law enforcement officer, firefighter, or air traffic controller retiring on disability if the individual is eligible for optional retirement under the special annuity provisions provided for such employees.

This formula does not apply for retiring United States magistrates or Court of Claims and bankruptcy judges, or for individuals retiring with 5 or more years of service as a congressional employee or Member of Congress.

NOTE 2:   See Chapter 50 for additional information about annuities computed under the general formula.

C. Guaranteed Minimum Annuity Computation	The guaranteed minimum disability annuity is the **lesser** of the two following amounts:

1. 40 percent x high-3 average salary (which provides an individual with an annuity as if he or she worked 21 years and 11 months); or

Section 61A2.1-1 Disability Computation (Cont.)

C.	**Guaranteed Minimum Annuity Computation (Cont.)**	2. The amount obtained under the general formula after increasing the actual years, months, and days of service by the total years, months, and days remaining from the commencing date of the employee's annuity through the date he or she becomes age 60.
		EXAMPLE: If Roland had been employed for 14 years before becoming disabled at age 48, add 12 years to the 14 years of service (60 - 48 = 12 additional years) to obtain the total years of service (26) to be used for comparison purposes.
		In this example, 40 percent of the high-3 average salary is less than the annuity projecting service to age 60, so the benefit would be based on the 40-percent computation.
D.	**When the Guaranteed Minimum Annuity Offers No Advantage**	Because of the percentage and age limitations on the guaranteed minimum annuity, it offers no advantage to a retiring employee if he or she:
		1. Has completed sufficient creditable service to yield a 40% earned annuity, normally 21 years and 11 months of creditable service if no deposit or redeposit is involved; or
		2. Is age 60 or older.
		Employees who fall into either of the above categories generally receive disability benefits based on the earned annuity computation.
E.	**Unused Sick Leave**	In the case of a disability retiree, the employee may choose, at time of approval of disability retirement, to credit the unused sick leave for retirement purposes or to postpone separation until all or any portion of leave has been used.
F.	**Sample Computations**	Subchapter 61C provides the following sample calculations to demonstrate the application of the CSRS disability annuity computation.

• CSRS Disability Retirement--Earned Annuity

• CSRS Disability Retirement--Guaranteed Minimum (Projected Annuity)

• CSRS Disability Annuity--Guaranteed Minimum (40-Percent Annuity) |

Section 61A2.1-1 Disability Computation (Cont.)

F.	**Sample Computations (Cont.)**	• CSRS Disability Annuity--Guaranteed Minimum (Projected Annuity with Redeposit)
		• CSRS Disability Annuity--Guaranteed Minimum (40-Percent Annuity with Redeposit)

Section 61A2.1-2 Reductions in Annuity

A.	**General Rule**	As explained below, a disability annuity computed under the provisions of section 61A2.1-1 may be reduced. The reductions, if applicable, are taken in the following order:

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

- Reduction to provide a survivor annuity, pursuant to a voluntary election or qualifying court order.

B.   Unpaid Deposits

1. Employees who receive disability retirement benefits based on their "earned annuity" (section 61A2.1-1, paragraph B):

   If the employee has creditable service before October 1, 1982, during which no retirement deductions were withheld and for which a deposit (including interest) has not been paid, the annual disability annuity is reduced by 10 percent of the total deposit due.

   The Omnibus Budget Reconciliation Act of 1990 (OBRA) permits an actuarial annuity reduction as an alternative to paying a redeposit for period of refunded service under CSRS ending prior to October 1, 1990. OBRA specifically excludes individuals retiring on disability from this provision.

2. Employees whose disability retirement benefits are computed under the guaranteed minimum formula (section 61A2.1-1, paragraph C);

   If the disability annuity is computed under the guaranteed minimum formula, it may not be necessary for the employee to make the deposit to avoid the reduction in annuity. This is because the guaranteed minimum annuity may equal the 40-percent limit whether or not the deposit is paid.

   Payment or nonpayment of the deposit affects the portion of the guaranteed minimum formula that is computed under the general formula after projecting service until age 60. If the projected annuity without a deposit payment already exceeds the 40-percent annuity, the employee should not make the deposit. The deposit would have no effect on the amount of the disability benefit payable since the guaranteed minimum would continue to be the 40-percent benefit. (See example in subchapter 61C.)

Section 61A2.1-2 Reductions in Annuity (Cont.)

B.	**Unpaid Deposits (Cont.)**	However, if the projected benefit without a deposit payment is less than the 40-percent benefit, the employee may want to make the deposit to increase his or her disability annuity. (See example in subchapter 61C.)
		NOTE: The comparison described in this paragraph also should be made in cases involving a redeposit, a deposit for post-1956 military service, which cannot be made after separation, and a deposit for nondeduction service performed on or after October 1, 1982. If the 40-percent annuity is payable, the deposit/redeposit need not be made.
C.	**Reduction for Survivor Annuity**	The rules that apply when a survivor annuity is elected are covered in Chapter 50. Section 50A3.1-4 covers:

- The formula to calculate the reduction applied to a retiree's disability annuity to provide a survivor annuity;

- The conditions that must be met to eliminate the survivor annuity reduction; and

- The formula to calculate the amount of the survivor annuity.

NOTE: Disability retirees may not elect an insurable interest annuity.

D.	**Other Reductions**	1. A reduction for retirement before age 55 does not apply unless the disability annuity terminates and the individual applies for a discontinued service retirement. In such a case, the provisions in Chapter 50, section 50A3.1-3, paragraph B, apply.

2. Disability retirees are not eligible to elect the alternative annuity.

Section 61A2.1-3 Effect of Military Retired Pay/VA Compensation on Disability Retirement Benefits

A. General Rule	Employees who are receiving military retired pay or compensation from the Department of Veterans' Affairs in lieu of military retired pay are not eligible for the guaranteed minimum disability annuity computation or to have any military service used in the computation of annuity, unless the military retired pay was awarded:

•   On account of a service-connected disability incurred in combat with an enemy of the United States; or

•   On account of a service-connected disability caused by an instrumentality of war and incurred in the line of duty during a period of war; or

•   Under the provisions of 10 U.S.C. 12731-12739 (Chapter 1223), which grants retired pay to members of the reserve components of the armed forces on the basis of age and service (active and reserve).

NOTE: The procedures for documenting whether the employee's retired pay was awarded under one of these exceptions are found in The Guide to Processing Personnel Actions (formerly FPM Supplement 296-33).

B. Exception	If the military retired pay, VA compensation, and the earned annuity combined are less than the guaranteed minimum, the CSRS benefit will be increased by the dollar amount of the difference.
C. Waiver of Military Retired Pay	A disability annuitant may waive military retired pay and renounce certain types of VA benefits and thereby receive credit for military service in the computation of his or her disability annuity.

NOTE 1:   Individuals not entitled to military retired pay may receive VA benefits and still have the military service credited for CSRS retirement purposes.

NOTE 2:   Individuals whose civilian retirement is not based on disability need not renounce VA benefits to receive credit for military service if they waive military retired pay for CSRS retirement purposes.

Section 61A2.1-4   **CSRS Offset Employees**

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

B. Exception: Offset if Entitled to Disability Payments from Social Security   The disability annuity payment is reduced (offset) when the employee becomes eligible for Social Security. The offset is applied as of the 1st day of the month during which the disability employee:

1. Is entitled to disability annuity under CSRS, and

2. Is entitled, or on proper application would be entitled, to disability benefits under Social Security.

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

C. Establishing the Offset Amount   Two separate computations must be performed to establish the offset amount. The offset amount equals the **lesser** of:

1. the difference between the Social Security monthly benefit amount with and without CSRS Offset service (service after December 31, 1983, covered under the Interim CSRS provisions or the CSRS Offset provisions), or

2. the product of the Social Security monthly benefit amount, with Federal earnings, multiplied by a fraction where the numerator is the employee's total CSRS Offset service rounded to the nearest whole number of years and the denominator is 40.

Note: See subchapter 61C for an illustration of an offset computation.

Subchapter 61B FERS

Part 61B1 General Information

Section 61B1.1-1 Overview

A.	**Introduction**	Subchapter 61B contains the rules and procedures that apply to the computation of a disability annuity under the Federal Employees Retirement System (FERS).
		This subchapter explains how FERS differs from CSRS. It refers to the applicable CSRS rule or gives the FERS rule if it is different.
B.	**Organization of Subchapter**	The FERS subchapter has two parts.

Part	Name of Part	Page
61B1	General Information	10
61B2	Computation of a Disability Annuity	12

C.	**Statement of Authority**	This subchapter is based on the laws and regulations cited below.

- United States Code: 5 U.S.C. 8452

- Code of Federal Regulations: 5 CFR Part 844, Subpart C

Section 61B1.1-2 Applicability of Chapter 50

A. General	The following provisions of Chapter 50, part 50A2, apply in the computation of a FERS disability annuity.

- Section 50A2.1-3: Computing Length of Service Period(s)

    NOTE: Paragraph G, dealing with unused sick leave, applies only if there is a CSRS component to the FERS disability annuity.

- Section 50A2.1-5: Basic Pay Rates

Part 61B2 Computation of a Disability Annuity

Section 61B2.1-1 Introduction

A.	**Introduction**	Disability benefits under FERS are computed in different ways depending on the annuitant's age and service at retirement. In most cases, FERS disability retirement benefits are recomputed after the first 12 months and again at age 62.
B.	**Transferees**	In general, an employee who transfers to FERS is covered by FERS disability rules. CSRS service is used to compute disability benefits under FERS, not under CSRS.

EXCEPTION: In computing the annuity payable, certain transferees with a CSRS component will receive an "earned" annuity (which includes service computed under CSRS rules) rather than 60 percent of the high-3 average salary, if the earned annuity is the larger benefit. (See sample calculation in subchapter 61C.)

Section 61B2.1-2 Average Salary

A.	**Applicable CSRS Provisions**	The procedure to determine a high-3 average salary is found in Chapter 50, section 50A2.1-4. With the exception noted in paragraph C below, this procedure applies to FERS disability computations.
B.	**Noncreditable Service**	Service that is not creditable under FERS (for example, refunded FERS service or nondeduction service performed on or after January 1, 1989) may **not** be included in computing the high-3 average salary. (See section 50B2.1-3, paragraph B.)
C.	**Less Than 3 Years of Service or Total Service Average Salary**	A "total service" average salary is the largest annual rate resulting from averaging an employee's rates of basic pay during his or her total period(s) of creditable civilian service when it amounts to less than 3 years.

A "total service" average salary is used to compute a disability annuity under FERS when an employee is eligible for disability retirement benefits with between 18 and 36 months of creditable service.

NOTE 1: References in this subchapter to "high-3" average salary may be read to include "total service" average salary.

NOTE 2: See subchapter 61C for an illustration of an average salary computation with less than 3 years of total service. |

Section 61B2.1-3 Disability Computation for Individuals Who Are Under Age 62 at Retirement and Ineligible for Voluntary Retirement

A.	**General**	In most cases, employees who qualify for disability retirement under FERS are under age 62 and ineligible for immediate voluntary retirement. As a consequence, their disability annuity is computed under a formula that recomputes the annuity after the first 12 months and again at age 62. The formula is described in the paragraphs that follow.
B.	**Benefits Payable in the First 12 Months**	For the first 12 months, a disability annuitant receives:

           60 percent x high-3 average salary

<div align="center">MINUS</div>

           100 percent of Social Security benefit
           (for any month in which the annuitant is entitled to Social Security disability benefits).

EXAMPLE: Assume Michelle's high-3 average salary at the time of her disability is $25,000. Her FERS disability annuity in the first year would be $25,000 x 60 percent or $15,000 per year. If Michelle is entitled to $7,000 per year in Social Security benefits, her FERS disability annuity will be reduced by 100 percent of the Social Security benefit amount ($15,000 - $7,000 = $8,000). Therefore, during that portion of the first year of retirement during which she is entitled to Social Security disability benefits, Michelle will receive benefits at the rate of $7,000 per year from Social Security and $8,000 per year from FERS.

NOTE: The employee is entitled to his or her "earned annuity" if it is larger than the annuity derived in this paragraph.

C.	**Benefits Payable After the First 12 Months**	After the first 12 months, the disability annuitant receives:

           40 percent x high-3 average salary

<div align="center">MINUS</div>

           60 percent of Social Security benefit
           (for any month in which the annuitant is entitled to Social Security benefits).

Section 61B2.1-3 Disability Computation for Individuals Who Are Under Age 62 at Retirement and Ineligible for Voluntary Retirement (Cont.)

C. Benefits Payable After the First 12 Months (Cont.)	EXAMPLE: Michelle's FERS disability annuity in the second year will be $25,000 x 40 percent or $10,000 per year. If Michelle receives $7,000 per year in Social Security disability benefits, her FERS disability annuity will be reduced by 60 percent of the Social Security benefit amount ($7,000 x 60 percent = $ 4,200). Therefore, beginning in the second year of retirement, Michelle will receive $7,000 per year from Social Security and $10,000 - $4,200 or $5,800 per year from FERS.

> NOTE: The employee is entitled to his or her "earned annuity" if it is larger than the annuity derived in this paragraph. See example in subchapter 61C.

D. Recomputation at Age 62	1. The disability annuity is recomputed at age 62 to an amount that represents the annuity the individual would have received if he or she had continued working until the day before his or her 62nd birthday and then retired under FERS non-disability provisions.

2. The total service used in the computation is increased by the amount of time the individual received a disability annuity. The high-3 average salary is increased by all FERS cost-of-living increases that were effective during the time he or she received a disability annuity, regardless of whether the retiree's annuity was actually increased by the COLA's.

NOTE: If an annuitant leaves the disability annuity rolls because he or she is found recovered or restored to earning capacity and later returns to the disability rolls:

- The time spent off the annuity rolls is not included as service for annuity computation purposes; and

- Any COLA's that take effect during this time are not used to increase the high-3 average salary.

3. The FERS basic annuity formula is then applied, using the adjusted time base and average salary.

D. Recomputation at Age 62 (Cont.)

4. If an individual who transferred to FERS is eligible for a CSRS component, that portion of the benefit is computed under the regular CSRS formula, with normal reductions for any deposits and redeposits not paid at the time of retirement. Interest stops accruing at the time of retirement. The actuarial reduction is not available for any redeposit for service that ended before October 1, 1990, because the recomputed annuity is still a disability annuity.

Section 61B2.1-4 Disability Computation for Individuals Who Are Age 62 or Older at Retirement or Who Are Eligible for Voluntary Retirement

A. General Rule

An employee receives an "earned annuity" based on the general FERS computation formula if the employee:

- Is 62 years old or older; OR

- Meets the age and service requirements for regular, unreduced immediate retirement as described in Chapter 41 (that is, Minimum Retirement Age with 30 years, age 60 with 20 years, or age 62 with 5 years).

NOTE: An employee who is age 62 and retires on disability with at least 18 months but less than 5 years of service will receive only the earned annuity. See example in subchapter 61C.

B. Formula

1. If the employee has less than 20 years of creditable service or is less than age 62 at the date of separation, the following formula is used.

> 1 percent x high-3 average salary x years and months
> of FERS service

2. If the employee has at least 20 years of creditable service and is age 62 or older at the date of separation, the following formula is used.

> 1.1 percent x high-3 average salary x years and months
> of FERS service

NOTE 1:   If the employee is eligible for the special formulas that apply to law enforcement officers, firefighters, or air traffic controllers, consult Chapter 54, Special Computation Formulas for Law Enforcement Officers, Firefighters, Air Traffic Controllers, and National Guard Technicians, for the computation rules. The formula for these special groups of employees uses a 1.7-percent factor for the first 20 years and 1 percent for additional years.

NOTE 2:   The above formulas apply only to service credited under FERS rules. CSRS computation formulas apply to CSRS component service. See part 50B4 in Chapter 50.

Section 61B2.1-5 Reduction for Survivor Annuity

A.	**Rule**	The basic annual annuity is reduced to provide survivor annuity benefits if the employee is married (unless the individual and his or her spouse jointly waive the survivor benefit) or if the employee is required by a qualifying court order to provide benefits for a former spouse.
B.	**Application of Reduction for Survivor Annuity**	The procedure to calculate the amount of the reduction for survivor annuity is the same as the procedure outlined in Chapter 50, section 50B3.1-4, paragraph B. However, the following special rules apply:

1. The reduction for survivor annuity is applied after the basic annuity is offset by any Social Security disability benefits that may be payable.

2. The reduction for survivor annuity is recalculated each time the employee's disability annuity is recalculated.

C.	**Elimination of Reduction for Survivor Annuity**	The reduction ends if the marriage terminates before the retired employee dies, effective the month following the one in which the marriage ended.

NOTE: The reduction is not eliminated if the employee is required by court order to provide a survivor benefit for his or her former spouse. See Chapter 74, Former Spouse Survivor Benefits, for additional information.

D.	**Amount of Survivor Annuity**	1. If the disability annuitant dies before reaching age 62, and he or she elected to provide full survivor benefits, the survivor will receive an annuity equal to 50 percent of the retiree's basic annuity using the "earned annuity" formula (1 percent x high-3 average salary x years and months of service).

- The high-3 average salary is increased by all FERS cost-of-living adjustments that were effective from the date of retirement to the date of death.

- The annuitant's service is increased by the years and months he or she was on the annuity rolls plus the years and months between the date of death and the date of the annuitant's 62nd birthday.

Section 61B2.1-5 Reduction for Survivor Annuity (Cont.)

D.	**Amount of Survivor Annuity (Cont.)**	2.	If the annuitant dies after reaching age 62, and he or she elected to provide a full survivor benefit, the survivor will receive an annuity equal to 50 percent of the unreduced amount that would have been payable to the annuitant on his or her date of death.
		NOTE:	In the case of either 1 or 2 above, if the annuitant elected to provide a partial survivor benefit, the survivor would receive an annuity equal to 25 percent of the retiree's basic annuity.
E.	**Insurable Interest Annuity**		Disability retirees may not elect an insurable interest annuity.

Section 61B2.1-6 Miscellaneous

A.	**Cost-of-Living Adjustments (COLA's)**	1. If the employee is under age 62 at retirement, and the annuity was computed using 60 percent of the high-3 average salary, no cost-of-living adjustments (COLA's) are payable for the first 12 months. COLA's that occur after this 12-month period are payable.
		2. If the employee is age 62 at retirement or if he or she meets the age and service requirements for an immediate FERS annuity, all COLA's occurring after the commencing date of annuity are payable. However, the first COLA is subject to proration, depending on the number of full months since the commencing date of the annuity.
		NOTE: See Chapter 2, Cost of Living Adjustments, for additional information about COLA's under FERS.
B.	**Retiree Annuity Supplement**	Disability retirees are not eligible for the retiree annuity supplement.
C.	**Alternative Annuity**	Disability retirees are not eligible to elect the alternative annuity.
D.	**Receipt of Military Retired Pay/VA Compensation**	Disability retirees are not affected by the provisions of section 61A2.1-3 in the CSRS subchapter because FERS has no guaranteed minimum annuity provision.

Subchapter 61C   Sample Computations and Worksheets

Section 61C1.1-1   Computation Worksheets for Local Reproduction

This section contains the following worksheets:

- **!**   CSRS Disability Annuity Computation
- **!**   FERS Disability Annuity Computation
  - Basic Earned Annuity Computation
  - Transferee Basic Earned Annuity Computation
  - Benefits Payable in First 12 Months
  - Benefits Payable After the First 12 Months
  - Basic Annuity Recomputation at Age 62
  - Transferee Basic Annuity Recomputation at Age 62
  - Survivor Annuity Computation

DISABILITY ANNUITY COMPUTATION

EARNED ANNUITY

High-3 Average Salary	$
Retirement Factor for Total Service ( ) yrs ( ) mos	**X**
Unreduced Earned Annuity	$
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	$
EARNED ANNUITY	$

GUARANTEED MINIMUM ANNUITY

40% OF HIGH - 3 AVERAGE SALARY	
High-3 Average Salary	$
Multiply by 40%	**X .40**
40% ANNUITY	$
PROJECTED ANNUITY	
High-3 Average Salary	$

Retirement Factor for Total Service to Age 60
 	
Compute Projected Service
 	
    YRS - MOS - DYS
Age 60 = <u>59</u> - <u>11</u> - <u>30</u>
 	
  Minus Age at Retirement   - <u>　　　　　</u>
 	
  Projected Service   = <u>　　　　　</u>
 	
  Plus Actual Service   + <u>　　　　　</u>
 	
   Total Service to Age 60 = <u>　　　　　</u>	

Retirement Factor for Total Service to Age 60 ( ) yrs ( ) mos	**X**
Unreduced Projected Annuity	$
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	$
PROJECTED ANNUITY	$
GUARANTEED MINIMUM ANNUITY Enter the **lesser** of: ! 40% Annuity, or ! Projected Annuity	
	$

Chapter 61

DISABILITY ANNUITY COMPUTATION

Annuity Payable

Disability Annuity Payable Enter the **greater** of: ! the EARNED annuty, or ! the GUARANTEED MINIMUM annuity	
	$
Reduction for 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 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 lower dollar)	$

For Local Reproduction

FERS BASIC ANNUITY COMPUTATION
DISABILITY RETIREMENT

EARNED ANNUITY COMPUTATION

High-3 Average Pay	$
Retirement Factor ( ) yrs. ( ) mos. (see section 50C1.1-1, Chart 6)	**X**
Unreduced FERS Basic Annuity	$

Reduction for Survivor Annuity
 	
       Base selected by retiree $_____
 	
                         X_____.10
 	
       Total reduction $_____
	
	-

ANNUAL ANNUITY	$
Monthly Annuity (Divide by 12, round down to lower dollar)	$

For Local Reproduction

Chapter 61

FERS BASIC ANNUITY COMPUTATION
DISABILITY RETIREMENT

EARNED ANNUITY COMPUTATION
FERS TRANSFEREE WITH CSRS COMPONENT

CSRS COMPONENT COMPUTATION

High-3 Average Pay	$
Retirement Factor for CSRS Service ( ) yrs. ( ) mos. (see section 50C1.1-1, Chart 4)	**X**
Unreduced CSRS Basic Annuity	$
Reduction for non-deposit for service prior 10-1-82 (Subtract 10% of deposit due)	-
Reduced CSRS Annuity	$

FERS COMPONENT AND COMBINED ANNUITY COMPUTATION

High-3 Average Pay	$
Retirement Factor for FERS Service ( ) yrs. ( ) mos. (see section 50C1.1-1, Chart 6)	**X**
Unreduced FERS Basic Annuity	$
Reduced CSRS Annuity	+
FERS Earned Disability Annuity	$
Reduction for Survivor Annuity Base selected by retiree $_____ X_____.10	
Total reduction $_____	-
ANNUAL ANNUITY	$
Monthly Annuity (Divide by 12, round down to lower dollar)	$

For Local Reproduction

FERS BASIC ANNUITY COMPUTATION
DISABILITY RETIREMENT

Benefits Payable in First 12 Months

High-3 Average Pay	$
Multiply by 60%	**X .60**
FERS Disability Annuity Without Social Security Reduction	$
Less 100% of Social Security Disability Benefit (annual rate)	-
FERS Disability Annuity With Social Security Reduction	$

Reduction for Survivor Annuity
 	
    Base selected by retiree $_____
 	
                                                X   **.10**
 	
    Total reduction $_____
	
	-

Annual Annuity	$
Monthly Annuity (Divide by 12, round down to lower dollar)	$

FERS Disability Benefit Payable in First 12 Months
 	
    Enter the greater of:
 	
        !   Monthly FERS Earned Disability Annuity, or
 	
        !   Monthly FERS Disability Annuity With Social Security Reduction
	
	$

For Local Reproduction

FERS BASIC ANNUITY COMPUTATION
DISABILITY RETIREMENT

Benefits Payable After the First 12 Months

High-3 Average Pay	$
Multiply by 40%	**X .40**
FERS Disability Annuity Without Social Security Reduction	$
Less 60% of Social Security Disability Benefit Annual Social Security Benefit _____ X .60 =	-
FERS Disability Annuity With Social Security Reduction	$
Reduction for Survivor Annuity **Base selected by retiree** $_____ X_____ **.10** **Total reduction** $_____	-
Annual Annuity	$
Monthly Annuity (Divide by 12, round down to lower dollar)	$
FERS Disability Benefit Payable After the First 12 Months Enter the greater of: ! Monthly FERS Earned Disability Annuity, or ! Monthly FERS Disability Annuity With Social Security Reduction	$

For Local Reproduction

FERS BASIC ANNUITY COMPUTATION
DISABILITY RETIREMENT

Recomputation at Age 62

High-3 Average Pay	$

Retirement Factor for FERS Service (See section 50C1.1-1, Chart 6 or 7)
 	
Compute Adjusted Time Base for Recomputation
 	
                                        YRS - MOS - DYS
 	
          Age 62   =   61 - 11 - 30
 	
    Minus Age at Retirement   - _____
 	
    Total Time on Annuity Rolls = _____
 	
    Plus Total Creditable Service + _____
 	
  Adjusted Time Base for Recomputation = _____	

Retirement Factor for Adjusted Time Base	**X**
Unreduced FERS Basic Annuity	$

Reduction for Survivor Annuity
 	
  Base selected by retiree **$**_____
                             X_____**.10**
 	
  Total reduction   **$**_____
	-

Annual Annuity	$
Monthly Annuity (Divide by 12, round down to lower dollar)	$

For Local Reproduction

FERS BASIC ANNUITY COMPUTATION
DISABILITY RETIREMENT

Recomputation at Age 62
FERS Transferee With CSRS Component

CSRS COMPONENT COMPUTATION

High-3 Average Pay	$
Retirement Factor for CSRS Service ( ) yrs ( ) mos (see section 50C1.1-1, Chart 4)	**X**
Unreduced CSRS Basic Annuity	$
Reduction for non-deposit for service prior 10-1-82 (Subtract 10% of deposit due)	-
Reduced CSRS Annuity	$

FERS COMPONENT AND COMBINED ANNUITY COMPUTATION

High-3 Average Pay	$
Retirement Factor for FERS Service (See section 50C1.1-1, Chart 6 or 7) Compute Adjusted Time Base for Recomputation **YRS - MOS - DYS** Age 62 = 61 - 11 - 30 Minus Age at Retirement - _____ Total Time on Annuity Rolls = _____ Plus Total Creditable Service + _____ Adjusted Time Base for Recomputation = _____	
Retirement Factor for Adjusted Time Base	**X**
Unreduced FERS Basic Annuity	$
Reduced CSRS Annuity	$
Total Basic Annuity at Age 62	$

Reduction for Survivor Annuity
   Base selected by retiree $_____
                 X _____**.10**
   Total reduction $_____
	-

Annual Annuity	$
Monthly Annuity (Divide by 12, round down to lower dollar)	$

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FERS BASIC ANNUITY COMPUTATION

DISABILITY

Survivor Annuity Computation

Survivor Base Elected ! From the **EARNED ANNUITY COMPUTATION** if employee is eligible for an immediate unreduced voluntary retirement at separation, or ! From the **RECOMPUTATION AT AGE 62** if employee is not eligible for an immediate unreduced voluntary retirement at separation.	
	$
Spouse or former spouse entitled to 50% of survivor base	X .50
Annual Survivor Annuity	$
Monthly Survivor Annuity (Divide by 12, round down to lower dollar)	$

For Local Reproduction

Subchapter 61C Sample Computations

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

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.

This section contains the following sample calculations

Example 1:   CSRS Disability Retirement -- Earned Annuity

Name:	Sarah Jones
Last Day of Pay:	11-7-95
Date of Birth:	4-15-42
Civilian Service:	7-19-69 to 11-7-95
	COVERED SERVICE
Unused Sick Leave:	None
High-3 Average Salary:	$43,195
Survivor Benefits:	Full

PART I: COMPUTE ACTUAL CREDITABLE SERVICE

1. Follow the procedures outlined in Chapter 50 to compute the amount of creditable
    CSRS service. In this example, the amount of creditable CSRS service is **26 years,
    3 months, and 19 days**.

PART II: COMPUTE THE EARNED ANNUITY

2. Compute the unreduced earned annuity.
    a. Enter the high-3 average salary.   **$43,195**

    b. Enter the years and months of total service for computation purposes.   **26y 3m**

    c. Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter
        50, section 50C1.1-1) to obtain the retirement factor for 26 years, 3 months
        service.
        .487500

    d. Multiply the high-3 average salary by the retirement factor to obtain the
        unreduced earned annuity.
        $43,195 X .487500 = $21,057.56

3. If applicable, subtract 10 percent of the deposit due for nondeduction service prior to
    October 1, 1982, from the unreduced earned annuity to obtain the earned annuity
    reduced for deposit. In this example, all of the service was covered, so there is no
    reduction.
    Earned Annuity = $21,057.56

Note: The reduction for age is not applicable in the disability computation.

PART III: COMPUTE THE GUARANTEED MINIMUM ANNUITY

4.   Calculate the 40% annuity. Multiply the high-3 average salary by 40%.
     $43,195 X .40 = $17,278.00

   Note: The reduction for unpaid deposit for pre-10/1/82 nondeduction service is not
            applicable in the 40% annuity computation.

5.   Calculate the annuity projecting service to age 60.
     a.   Determine the total amount of service projected to age 60.
          1)   Subtract age at separation (53y, 6m, 23d) from age 60 (59y, 11m, 30d) to
               obtain projected service.

                         59 - 11 - 30
                         <u>53 - 06 - 23</u>
                         6y - 5m - 7d

          2)   Add actual service to projected service to determine the total service used for
               computation purposes. Eliminate any fractional part of a month.

                         06y - 05m - 07d
               +   <u>**26y - 03m - 19d**</u>
                         32y - 08m - 26d

     b.   Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter
          50, section 50C1.1-1) to obtain the retirement factor for 32 years, 8 months
          service.
          .615833

     c.   Multiply the high-3 average salary by the retirement factor to obtain the
          unreduced earned annuity projecting service to age 60.
          $43,195 X .615833 = $26,600.91

     d.   If applicable, subtract 10 percent of the deposit due for nondeduction service
          prior to October 1, 1982, from the unreduced projected annuity to obtain the
          projected annuity reduced for deposit. In this example, all of the service was
          covered, so there is no reduction.

     Projected Annuity = $26,600.91

6.   Determine guaranteed minimum annuity. Enter the LESSER of:
     -    the annuity based on 40% of the high-3 average salary ($17,278.00), or
     -    the annuity based on service projected to age 60 ($26,600.91).
          $17,278.00

PART IV: COMPUTE ANNUITY PAYABLE

7. Determine the disability annuity payable. Enter the GREATER of:
   - the earned annuity ($21,057.56), or
   - the guaranteed minimum annuity ($17,278.00).
   $21,057.56

8. Compute the reduction for the survivor election.
   a.   Enter the base selected by the retiree for the survivor annuity. **$21,057.56**

   b.   Multiply the first $3,600 of the base by 2.5 percent.
         $3,600 X .025 = $90.00

   c.   Multiply the amount of the base in excess of $3,600 ($21,057.56 - $3,600 =
         $17,457.56), by 10 percent.
         $17,457.56 X 10% = $1,745.76

   d.   Total the reduction for survivor annuity.
         $90.00 + $1,745.76 = $1,835.76

9. Subtract the total reduction for survivor annuity from the disability annuity payable
   to obtain the annual annuity amount payable.
   $21,057.56 - $1,835.76 = $19,221.80

10. Divide the annual annuity amount payable by 12 and round to the lower dollar to
    obtain the monthly annuity rate.
    $19,221.80 ÷ 12 = $1,601.00

PART V: SURVIVOR ANNUITY PAYABLE

11. Compute the survivor annuity.
    a.   Multiply the amount designated as the survivor base by 55 percent, to obtain the
          annual survivor rate.
          $21,057.56 X .55 = $11,581.66

    b.   Divide the annual survivor rate by 12 and round to the lower dollar to obtain the
          monthly survivor annuity rate.
          $11,581.66 ÷ 12 = $965.00

COMPUTATION OF SERVICE CREDIT

		YR	MO	DY
NAME:	**Sarah Jones**			
	DATE OF RETIREMENT:	95	11	7
	DATE OF BIRTH:	42	4	15
	AGE:	53	6	23

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**
69-07-19	95-11-07	COVERED	26	3	19
		TOTAL CIVILIAN/MILITARY	26	3	19
		UNUSED SICK LEAVE *	--	--	--
		TOTAL CREDITABLE SERVICE	26	3	19
		TOTAL SERVICE FOR COMPUTATION PURPOSES	26	3	

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

DISABILITY ANNUITY COMPUTATION

EARNED ANNUITY

High-3 Average Salary	**$**	**43,195**
Retirement Factor for Total Service (26) yrs (3) mos	**X**	**.487500**
Unreduced Earned Annuity	**$**	**21,057.56**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**$**	**N/A**
EARNED ANNUITY	**$**	**21,057.56**

GUARANTEED MINIMUM ANNUITY

40% OF HIGH - 3 AVERAGE SALARY		
High-3 Average Salary	**$**	**43,195**
Multiply by 40%	**X**	**.40**
40% ANNUITY	**$**	**17,278.00**

PROJECTED ANNUITY		
High-3 Average Salary	**$**	**43,195**
Retirement Factor for Total Service to Age 60 Compute Projected Service **YRS - MOS - DYS** Age 60　　　　　　　= <u>59</u> - <u>11</u> - <u>30</u> Minus Age at Retirement　- <u>53</u> - <u>06</u> - <u>23</u> Projected Service　　= <u>06</u> - <u>05</u> - <u>07</u> Plus Actual Service　　+ <u>26</u> - <u>03</u> - <u>19</u> Total Service to Age 60　= <u>32</u> - <u>08</u> - <u>26</u>		
Retirement Factor for Total Service to Age 60 (32) yrs (8) mos	**X**	**.615833**
Unreduced Projected Annuity	**$**	**26,600.91**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**$**	**N/A**
PROJECTED ANNUITY	**$**	**26,600.91**
GUARANTEED MINIMUM ANNUITY Enter the **lesser** of: **!**　40% Annuity, or **!**　Projected Annuity		
	$	**17,278.00**

DISABILITY ANNUITY COMPUTATION

Annuity Payable

Disability Annuity Payable	

Enter the **greater** of:
    !   the EARNED annuity, or
    !   the GUARANTEED MINIMUM annuity
	$ 21,057.56

Reduction for Survivor Annuity Base selected by retiree $ 21,057.56 Amount up to $3600 - 3,600 X .025 = $ 90.00 Amount over $3600 = 17,457.56 X .10 = + 1,745.76	
Total Reduction =	**- 1,835.76**
Annual Annuity	**$ 19,221.80**
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)	**$ 1,601.00**

Survivor Annuity Computation

Amount designated as survivor base	**$ 21,057.56**
Spouse or former spouse entitled to 55% of survivor base	**X .55**
Annual Survivor Annuity	**$ 11,581.66**
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)	**$ 965.00**

Example 2: CSRS Disability Retirement -- Guaranteed Minimum
(Projected Annuity)

Name:	Tim Bennett
Last Day of Pay:	3-26-96
Date of Birth:	2-14-44
Civilian Service:	11-22-83 to 3-26-96
	COVERED SERVICE
Unused Sick Leave:	None
High-3 Average Salary:	$26,743
Survivor Benefits:	Full

PART I: COMPUTE ACTUAL CREDITABLE SERVICE

1.   Follow the procedures outlined in Chapter 50 to compute the amount of
        creditable CSRS service. In this example, the amount of creditable CSRS
        service is
        12 years, 4 months, and 5 days.

PART II: COMPUTE THE EARNED ANNUITY

2.   Compute the unreduced earned annuity.
        a. Enter the high-3 average salary. **$26,743**

        b. Enter the years and months of total service for computation purposes.
            12y 4m

        c. Use the CSRS General Formula Computation Chart (Chart 4, Handbook
            Chapter 50, section 50C1.1-1) to obtain the retirement factor for 12 years,
            4 months service.
            .209167

        d. Multiply the high-3 average salary by the retirement factor to obtain the
            unreduced earned annuity.
            $26,743 X .209167 = $5,593.75

3.   If applicable, subtract 10 percent of the deposit due for nondeduction service
        prior to October 1, 1982, from the unreduced earned annuity to obtain the
        earned annuity reduced for deposit. In this example, all of the service was
        covered, so there is no reduction.
        Earned Annuity = $5,593.75

Note: The reduction for age is not applicable in the disability computation.

PART III: COMPUTE THE GUARANTEED MINIMUM ANNUITY

4.   Calculate the 40% annuity. Multiply the high-3 average salary by 40%.
$26,743 X .40 = $10,697.20

Note: The reduction for unpaid deposit for pre-10/1/82 nondeduction
service is not applicable in the 40% annuity computation.

5.   Calculate the annuity projecting service to age 60.
a.   Determine the total amount of service projected to age 60.
1)   Subtract age at separation (52y, 1m, 13d) from age 60 (59y, 11m,
30d) to obtain projected service.

$$59 - 11 - 30$$
$$\underline{52 - 01 - 13}$$
$$\textbf{7y - 10m - 17d}$$

2)   Add actual service to projected service to determine the total service
used for computation purposes. Eliminate any fractional part of a
month.

$$\textbf{07y - 10m - 17d}$$
$$+ \quad \underline{\textbf{12y - 04m - 05d}}$$
$$\textbf{20y - 02m} - 22d$$

b.   Use the CSRS General Formula Computation Chart (Chart 4, Handbook
Chapter 50, section 50C1.1-1) to obtain the retirement factor for 20 years,
2 months service.
.365833

c.   Multiply the high-3 average salary by the retirement factor to obtain the
unreduced earned annuity projecting service to age 60.
$26,743 X .365833 = $9,783.47

d.   If applicable, subtract 10 percent of the deposit due for nondeduction
service prior to October 1, 1982, from the unreduced projected annuity to
obtain the projected annuity reduced for deposit. In this example, all of
the service was covered, so there is no reduction.

Projected Annuity = $9,783.47

6.   Determine guaranteed minimum annuity. Enter the LESSER of:
-    the annuity based on 40% of the high-3 average salary ($10,697.20), or
-    the annuity based on service projected to age 60 ($9,783.47).
$9,783.47

PART IV: COMPUTE ANNUITY PAYABLE

7.   Determine the disability annuity payable. Enter the GREATER of:
-   the earned annuity ($5,593.75), or
-   the guaranteed minimum annuity ($9,783.47).
            $9,783.47

8.   Compute the reduction for the survivor election.
a.   Enter the base selected by the retiree for the survivor annuity.
            $9,783.47

b.   Multiply the first $3,600 of the base by 2.5 percent.
            $3,600 X .025 = $90.00

c.   Multiply the amount of the base in excess of $3,600 ($9,783.47 - $3,600
= $6,183.47), by 10 percent.
            $6,183.47 X 10% = $618.35

d.   Total the reduction for survivor annuity.
            $90.00 + $618.35 = $708.35

9.   Subtract the total reduction for survivor annuity from the disability annuity
payable to obtain the annual annuity amount payable.
            $9,783.47 - $708.35 = $9,075.12

10.   Divide the annual annuity amount payable by 12 and round to the lower dollar
to obtain the monthly annuity rate.
            $9,075.12 ÷ 12 = $756.00

PART V: SURVIVOR ANNUITY PAYABLE

11.   Compute the survivor annuity.
a.   Multiply the amount designated as the survivor base by 55 percent, to
obtain the annual survivor rate.
            $9,783.47 X .55 = $5,380.91

b.   Divide the annual survivor rate by 12 and round to the lower dollar to
obtain the monthly survivor annuity rate.
            $5,380.91 ÷ 12 = $448.00

COMPUTATION OF SERVICE CREDIT

		YR	MO	DY
NAME: Tim Bennett	**DATE OF RETIREMENT:**	96	3	26
	DATE OF BIRTH:	44	2	14
	AGE:	52	1	13

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**
83-11-22	96-03-26	COVERED	12	4	5
		TOTAL CIVILIAN/MILITARY	12	4	5
		UNUSED SICK LEAVE *	--	--	--
		TOTAL CREDITABLE SERVICE	12	4	5
		TOTAL SERVICE FOR COMPUTATION PURPOSES	12	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.

DISABILITY ANNUITY COMPUTATION

EARNED ANNUITY

High-3 Average Salary	**$**	**26,743**
Retirement Factor for Total Service (12) yrs (4) mos	**X**	**.209167**
Unreduced Earned Annuity	**$**	**5,593.75**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**$**	**N/A**
EARNED ANNUITY	**$**	**5,593.75**

GUARANTEED MINIMUM ANNUITY

40% OF HIGH - 3 AVERAGE SALARY		
High-3 Average Salary	**$**	**26,743**
Multiply by 40%	**X**	**.40**
40% ANNUITY	**$**	**10,697.20**

PROJECTED ANNUITY		
High-3 Average Salary	**$**	**26,743**

Retirement Factor for Total Service to Age 60
 	
 Compute Projected Service
 	
                YRS - MOS - DYS
 	
    Age 60   = 59 - 11 - 30
 	
 Minus Age at Retirement   - 52 - 01 - 13
 	
     Projected Service   = 07 - 10 - 17
 	
   Plus Actual Service   + 12 - 04 - 05
 	
   Total Service to Age 60 = 20 - 02 - 22		

Retirement Factor for Total Service to Age 60 (20) yrs (2) mos	**X**	**.365833**
Unreduced Projected Annuity	**$**	**9,783.47**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**$**	**N/A**
PROJECTED ANNUITY	**$**	**9,783.47**
GUARANTEED MINIMUM ANNUITY Enter the **lesser** of: ! 40% Annuity, or ! Projected Annuity		

	$ 9,783.47

DISABILITY ANNUITY COMPUTATION

Annuity Payable

Disability Annuity Payable
 	
Enter the **greater** of:
   !   the EARNED annuty, or
   ! the GUARANTEED MINIMUM annuity	

	$ 9,738.47
Reduction for Survivor Annuity Base selected by retiree $ 9,783.47 Amount up to $3600 - 3,600 X .025 = $ 90.00 Amount over $3600 = 6,183.47 X .10 = + 618.35	
Total Reduction =	- 708.35
Annual Annuity	$ 9,075.12
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)	$ 756.00

Survivor Annuity Computation

Amount designated as survivor base	$ 9,783.47
Spouse or former spouse entitled to 55% of survivor base	X .55
Annual Survivor Annuity	$ 5,380.91
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)	$ 448.00

Example 3: CSRS Disability Retirement -- Guaranteed Minimum
(40 Percent Annuity)

Name:	Janice Groves
Last Day of Pay:	6-30-95
Date of Birth:	11-20-60
Civilian Service:	10-11-83 to 6-30-95
	COVERED SERVICE
Unused Sick Leave:	None
High-3 Average Salary:	$35,649
Survivor Benefits:	Full

PART I: COMPUTE ACTUAL CREDITABLE SERVICE

1. Follow the procedures outlined in Chapter 50 to compute the amount of
    creditable CSRS service. In this example, the amount of creditable CSRS
    service is **11 years, 8 months, and 20 days**.

PART II: COMPUTE THE EARNED ANNUITY

2. Compute the unreduced earned annuity.
    a. Enter the high-3 average salary.
        $35,649

    b. Enter the years and months of total service for computation purposes.
        11y 8m

    c. Use the CSRS General Formula Computation Chart (Chart 4, Handbook
        Chapter 50, section 50C1.1-1) to obtain the retirement factor for 11 years,
        8 months service.
        .195833

    d. Multiply the high-3 average salary by the retirement factor to obtain the
        unreduced earned annuity.
        $35,649 X .195833 = $6,981.25

3. If applicable, subtract 10 percent of the deposit due for nondeduction service
    prior to October 1, 1982, from the unreduced earned annuity to obtain the
    earned annuity reduced for deposit. In this example, all of the service was
    covered, so there is no reduction.
    Earned Annuity = $6,981.25

    Note: The reduction for age is not applicable in the disability computation.

PART III: COMPUTE THE GUARANTEED MINIMUM ANNUITY

4.   Calculate the 40% annuity. Multiply the high-3 average salary by 40%.
$35,649 X .40 = $14,259.60

Note: The reduction for unpaid deposit for pre-10/1/82 nondeduction
service is not applicable in the 40% annuity computation.

5.   Calculate the annuity projecting service to age 60.
a.   Determine the total amount of service projected to age 60.
1)   Subtract age at separation (34y, 7m, 11d) from age 60 (59y, 11m,
30d) to obtain projected service.

```
            59 - 11 -  30
            34 - 07 -  11
            25y - 04m - 19d
```

2)   Add actual service to projected service to determine the total service
used for computation purposes. Eliminate any fractional part of a
month.

```
            25y - 04m - 19d
      +     11y - 08m - 20d
            37y - 01m - 09d
```

b.   Use the CSRS General Formula Computation Chart (Chart 4, Handbook
Chapter 50, section 50C1.1-1) to obtain the retirement factor for 37 years,
1 month service.
.704167

c.   Multiply the high-3 average salary by the retirement factor to obtain the
unreduced earned annuity projecting service to age 60.
$35,649 X .704167 = $25,102.85

d.   If applicable, subtract 10 percent of the deposit due for nondeduction
service prior to October 1, 1982, from the unreduced projected annuity to
obtain the projected annuity reduced for deposit. In this example, all of
the service was covered, so there is no reduction.

Projected Annuity = $25,102.85

6.   Determine guaranteed minimum annuity. Enter the LESSER of:
-     the annuity based on 40% of the high-3 average salary ($14,259.60), or
-     the annuity based on service projected to age 60 ($25,102.85).
$14,259.60

PART IV: COMPUTE ANNUITY PAYABLE

7.   Determine the disability annuity payable. Enter the GREATER of:
-     the earned annuity ($6,981.25), or
-     the guaranteed minimum annuity ($14,259.60).
        $14,259.60

8.   Compute the reduction for the survivor election.
        a.   Enter the base selected by the retiree for the survivor annuity.
            $14,259.60

        b.   Multiply the first $3,600 of the base by 2.5 percent.
            $3,600 X .025 = $90.00

        c.   Multiply the amount of the base in excess of $3,600 ($14,259.60 - $3,600
            = $10,659.60), by 10 percent.
            $10,659.60 X 10% = $1,065.96

        d.   Total the reduction for survivor annuity.
            $90.00 + $1,065.96 = $1,155.96

9.   Subtract the total reduction for survivor annuity from the disability annuity
        payable to obtain the annual annuity amount payable.
        $14,259.60 - $1,155.96 = $13,103.64

10.   Divide the annual annuity amount payable by 12 and round to the lower dollar
        to obtain the monthly annuity rate.
        $13,103.64 ÷ 12 = $1,091.00

PART V: SURVIVOR ANNUITY PAYABLE

11.   Compute the survivor annuity.
        a.   Multiply the amount designated as the survivor base by 55 percent, to
            obtain the annual survivor rate.
            $14,259.60 X .55 = $7,842.78

        b.   Divide the annual survivor rate by 12 and round to the lower dollar to
            obtain the monthly survivor annuity rate.
            $7,842.78 ÷ 12 = $653.00

COMPUTATION OF SERVICE CREDIT

		YR	MO	DY
NAME: Janice Groves	**DATE OF RETIREMENT:**	95	6	30
	DATE OF BIRTH:	60	11	20
	AGE:	34	7	11

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**
83-10-11	95-06-30	COVERED	11	8	20
		TOTAL CIVILIAN/MILITARY	11	8	20
		UNUSED SICK LEAVE *	--	--	--
		TOTAL CREDITABLE SERVICE	11	8	20
		TOTAL SERVICE FOR COMPUTATION PURPOSES	11	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.

DISABILITY ANNUITY COMPUTATION

EARNED ANNUITY

High-3 Average Salary	**$**	**35,649**
Retirement Factor for Total Service (11) yrs (8) mos	**X**	**.195833**
Unreduced Earned Annuity	**$**	**6,981.25**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**$**	**N/A**
EARNED ANNUITY	**$**	**6,981.25**

GUARANTEED MINIMUM ANNUITY

40% OF HIGH - 3 AVERAGE SALARY		
High-3 Average Salary	**$**	**35,649**
Multiply by 40%	**X**	**.40**
40% ANNUITY	**$**	**14,259.60**

PROJECTED ANNUITY		
High-3 Average Salary	**$**	**35,649**

Retirement Factor for Total Service to Age 60
 	
Compute Projected Service
 	
       YRS - MOS - DYS
 	
       Age 60   = 59 - 11 - 30
 	
   Minus Age at Retirement   - 34 - 07 - 11
 	
     Projected Service   = 25 - 04 - 19
 	
      Plus Actual Service   + 11 - 08 - 20
 	
   Total Service to Age 60 = 37 - 01 - 09		

Retirement Factor for Total Service to Age 60 (37) yrs (1) mos	**X**	**.704167**
Unreduced Projected Annuity	**$**	**25,102.85**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**$**	**N/A**
PROJECTED ANNUITY	**$**	**25,102.85**
GUARANTED MINIMUM ANNUITY Enter the **lesser** of: **!** 40% Annuity, or **!** Projected Annuity		
	$	**14,259.60**

DISABILITY ANNUITY COMPUTATION

Annuity Payable

Disability Annuity Payable
 	
Enter the **greater** of:
   !   the EARNED annuty, or
   ! the GUARANTEED MINIMUM annuity	

	$ 14,259.60

Reduction for Survivor Annuity

Base selected by retiree $ 14,259.60

Amount up to $3600   -   3,600   X .025   = $ 90.00

Amount over $3600   = 10,659.60   X .10   = +   1,065.96

Total Reduction =	- **1,155.96**
Annual Annuity	**$ 13,103.64**
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)	**$ 1,091.00**

Survivor Annuity Computation

Amount designated as survivor base	**$ 14,259.60**
Spouse or former spouse entitled to 55% of survivor base	**X .55**
Annual Survivor Annuity	**$ 7,842.78**
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)	**$ 653.00**

Example 4:   CSRS Disability Retirement -- Guaranteed Minimum
(Projected Annuity with Refund)

Name:	Constance Levin
Last Day of Pay:	9-24-95
Date of Birth:	8-29-38
Civilian Service:	9-13-79 to 1-31-81 -- REFUNDED SERVICE
	1-4-83 to 9-24-95 -- COVERED SERVICE
Unused Sick Leave:	None
High-3 Average Salary:	$24,878
Survivor Benefits:	None

Note: Refunded service can only be used in the computation of a disability annuity if the individual redeposits the refund, plus interest. If a redeposit is not made, the service cannot be used in the disability computation. Two computations must be made to determine the affect payment of the redeposit will have on the annuity. Computation #1 includes credit for the refunded service. The individual will be entitled to the annuity resulting from this computation if the redeposit is paid. Computation #2 does not include credit for the refunded service. The individual will be entitled to the annuity resulting from this computation if the redeposit is not paid.

COMPUTATION 1:   INCLUDE CREDIT FOR REFUNDED SERVICE

PART I: COMPUTE ACTUAL CREDITABLE SERVICE

1.   Follow the procedures outlined in Chapter 50 to compute the amount of creditable CSRS service. Include credit for the refunded service. In this example, the amount of creditable CSRS service is **14 years, 1 months, and 9 days**.

PART II: COMPUTE THE EARNED ANNUITY

2.   Compute the unreduced earned annuity.
    a.   Enter the high-3 average salary.
        $24,878

    b.   Enter the years and months of total service for computation purposes.
        14y 1m

    c.   Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 14 years, 1 month service.
        .244167

d.   Multiply the high-3 average salary by the retirement factor to obtain the unreduced earned annuity.
$24,878 X .244167 = $6,074.39

3.   If applicable, subtract 10 percent of the deposit due for nondeduction service prior to October 1, 1982, from the unreduced earned annuity to obtain the earned annuity reduced for deposit. In this example, all of the service was covered, so there is no reduction.
Earned Annuity = $6,074.39

Note: The reduction for age is not applicable in the disability computation.

PART III: COMPUTE THE GUARANTEED MINIMUM ANNUITY

4.   Calculate the 40% annuity. Multiply the high-3 average salary by 40%.
$24,878 X .40 = $9,951.20

Note: The reduction for unpaid deposit for pre-10/1/82 nondeduction service is not applicable in the 40% annuity computation.

5.   Calculate the annuity projecting service to age 60.
     a.   Determine the total amount of service projected to age 60.
         1)   Subtract age at separation (57y, 0m, 26d) from age 60 (59y, 11m, 30d) to obtain projected service.

$$
\begin{array}{r}
59 - 11 - 30 \\
\underline{57 - 00 - 26} \\
\textbf{2y - 11m - 4d}
\end{array}
$$

         2)   Add actual service to projected service to determine the total service used for computation purposes. Eliminate any fractional part of a month.

$$
\begin{array}{r}
\textbf{02y - 11m - 04d} \\
+ \quad \underline{\textbf{14y - 01m - 09d}} \\
\textbf{17y - 00m} - 13\text{d}
\end{array}
$$

     b.   Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 17 years, 0 months service.
.302500

     c.   Multiply the high-3 average salary by the retirement factor to obtain the unreduced earned annuity projecting service to age 60.
$24,878 X .302500 = $7,525.60

d. If applicable, subtract 10 percent of the deposit due for nondeduction service prior to October 1, 1982, from the unreduced projected annuity to obtain the projected annuity reduced for deposit. In this example, all of the service was covered, so there is no reduction.

Projected Annuity = $7,525.60

6. Determine guaranteed minimum annuity. Enter the LESSER of:
   - the annuity based on 40% of the high-3 average salary ($9,951.20), or
   - the annuity based on service projected to age 60 ($7,525.60).
   $7,525.60

PART IV: COMPUTE ANNUITY PAYABLE

7. Determine the disability annuity payable. Enter the GREATER of:
   - the earned annuity ($6,074.39), or
   - the guaranteed minimum annuity ($7,525.60).
   $7,525.60

8. Compute the reduction for the survivor election, if applicable. In this example, the individual did not elect to provide a survivor annuity.
   Annual Annuity = $7,525.60

9. Divide the annual annuity amount payable by 12 and round to the lower dollar to obtain the monthly annuity rate.
   $7,525.60 ÷ 12 = $627.00

COMPUTATION 2:   EXCLUDE CREDIT FOR REFUNDED SERVICE

PART V: COMPUTE ACTUAL CREDITABLE SERVICE

10. Refer to the Computation of Service Credit Worksheet in step 1 and compute the amount of creditable CSRS service excluding credit for the refunded service. In this example, the amount of creditable CSRS service excluding the refunded service is **12 years, 8 months, and 21 days**.

PART VI: COMPUTE THE EARNED ANNUITY

11.   Compute the unreduced earned annuity.
      a.   Enter the high-3 average salary.
          $24,878

      b.   Enter the years and months of total service for computation purposes.
          12y 8m

      c.   Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 12 years, 8 months service.
          .215833

      d.   Multiply the high-3 average salary by the retirement factor to obtain the unreduced earned annuity.
          $24,878 X .215833 = $5,369.49

12.   If applicable, subtract 10 percent of the deposit due for nondeduction service prior to October 1, 1982, from the unreduced earned annuity to obtain the earned annuity reduced for deposit. In this example, all of the service was covered, so there is no reduction.
        Earned Annuity = $5,369.49

Note: The reduction for age is not applicable in the disability computation.

PART VII: COMPUTE THE GUARANTEED MINIMUM ANNUITY

13.   Calculate the 40% annuity. Multiply the high-3 average salary by 40%.
        $24,878 X .40 = $9,951.20
        Note: The reduction for unpaid deposit for pre-10/1/82 nondeduction service is not applicable in the 40% annuity computation.

14.   Calculate the annuity projecting service to age 60.
      a.   Determine the total amount of service projected to age 60.
         1)   Subtract age at separation (57y, 0m, 26d) from age 60 (59y, 11m, 30d) to obtain projected service.

                           59 - 11 - 30
                           <u>57 - 00 - 26</u>
                           2y - 11m - 4d

         2)   Add actual service to projected service to determine the total service used for computation purposes. Eliminate any fractional part of a month.

                           02y - 11m - 04d
            +   <u>**12y - 08m - 21d**</u>
                         15y - 07m - 25d

b. Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 15 years, 7 months service.
    .274167

c. Multiply the high-3 average salary by the retirement factor to obtain the unreduced earned annuity projecting service to age 60.
    $24,878 X .274167 = $6,820.73

d. If applicable, subtract 10 percent of the deposit due for nondeduction service prior to October 1, 1982, from the unreduced projected annuity to obtain the projected annuity reduced for deposit. In this example, all of the service was covered, so there is no reduction.

Projected Annuity = $6,820.73

15. Determine guaranteed minimum annuity. Enter the LESSER of:
     - the annuity based on 40% of the high-3 average salary ($9,951.20), or
     - the annuity based on service projected to age 60 ($6,820.73).
        $6,820.73

PART VIII: COMPUTE ANNUITY PAYABLE

16. Determine the disability annuity payable. Enter the GREATER of:
     - the earned annuity ($5,369.49), or
     - the guaranteed minimum annuity ($6,820.73).
        $6,820.73

17. Compute the reduction for the survivor election, if applicable. In this example, the individual did not elect to provide a survivor annuity.
     Annual Annuity = $6,820.73

18. Divide the annual annuity amount payable by 12 and round to the lower dollar to obtain the monthly annuity rate.
     $6,820.73 ÷ 12 = $568.00

Note: If the redeposit is paid, the monthly annuity will be $627.00. If the redposit is not paid, the monthly annuity will be $568.00

COMPUTATION OF SERVICE CREDIT

		YR	MO	DY
NAME: Constance Levin	DATE OF RETIREMENT:	95	9	24
	DATE OF BIRTH:	38	8	29
	AGE:	57	0	26

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
79-09-13	81-01-31	REFUNDED	1	4	18
83-01-04	95-09-24	COVERED	12	8	21
		TOTAL CIVILIAN/MILITARY	14	1	9
		UNUSED SICK LEAVE *	--	--	--
		TOTAL CREDITABLE SERVICE	14	1	9
		TOTAL SERVICE FOR COMPUTATION PURPOSES	14	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.

DISABILITY ANNUITY COMPUTATION

EARNED ANNUITY

High-3 Average Salary	**$**	**24,878**
Retirement Factor for Total Service (14) yrs (1) mos	**X**	**.244167**
Unreduced Earned Annuity	**$**	**6,074.39**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**$**	**N/A**
EARNED ANNUITY	**$**	**6,074.39**

GUARANTEED MINIMUM ANNUITY

40% OF HIGH - 3 AVERAGE SALARY		
High-3 Average Salary	**$**	**24,878**
Multiply by 40%	**X**	**.40**
40% ANNUITY	**$**	**9,951.20**
PROJECTED ANNUITY		
High-3 Average Salary	**$**	**24,878**

Retirement Factor for Total Service to Age 60

Compute Projected Service

		YRS - **MOS** - **DYS**
Age 60	=	59 - 11 - 30
Minus Age at Retirement	-	57 - 00 - 26
Projected Service	=	2 - 11 - 04
Plus Actual Service	+	14 - 01 - 09
Total Service to Age 60	=	17 - 00 - 13

Retirement Factor for Total Service to Age 60 (17) yrs (0) mos	**X**	**.302500**
Unreduced Projected Annuity	**$**	**7,525.60**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**$**	**N/A**
PROJECTED ANNUITY	**$**	**7,525.60**

GUARANTED MINIMUM ANNUITY

Enter the **lesser** of:
!   40% Annuity, or
!   Projected Annuity

	$	**7,525.60**

DISABILITY ANNUITY COMPUTATION

Annuity Payable

Disability Annuity Payable
 	
Enter the **greater** of:
   !   the EARNED annuty, or
   ! the GUARANTEED MINIMUM annuity	

	$ 7,525.60
Reduction for Survivor Annuity Base selected by retiree $_____ Amount up to $3600 -_____ X .025 = $_____ Amount over $3600 =_____ X .10 = +_____	
Total Reduction =	- N/A
Annual Annuity	$ 7,525.60
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)	$ 627.00

Survivor Annuity Computation

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

COMPUTATION OF SERVICE CREDIT

	YR	MO	DY
DATE OF RETIREMENT:	95	9	24
DATE OF BIRTH:	38	8	29
AGE:	57	0	26

NAME: Constance Levin

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**
79-09-13	81-01-31	REFUNDED	--	--	--
83-01-04	95-09-24	COVERED	12	8	21
		TOTAL CIVILIAN/MILITARY	12	8	21
		UNUSED SICK LEAVE *	--	--	--
		TOTAL CREDITABLE SERVICE	12	8	21
		TOTAL SERVICE FOR COMPUTATION PURPOSES	12	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.

DISABILITY ANNUITY COMPUTATION

EARNED ANNUITY

High-3 Average Salary	**S**	**24,878**
Retirement Factor for Total Service (12) yrs (8) mos	**X**	**.215833**
Unreduced Earned Annuity	**S**	**5,369.49**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**S**	**N/A**
EARNED ANNUITY	**S**	**5,369.49**

GUARANTEED MINIMUM ANNUITY

40% OF HIGH - 3 AVERAGE SALARY		
High-3 Average Salary	**S**	**24,878**
Multiply by 40%	**X**	**.40**
40% ANNUITY	**S**	**9,951.20**
PROJECTED ANNUITY		
High-3 Average Salary	**S**	**24,878**

Retirement Factor for Total Service to Age 60
 	
Compute Projected Service
 	
               YRS - MOS - DYS
 	
    Age 60   =   59 - 11 - 30
 	
  Minus Age at Retirement - 57 - 00 - 26
 	
     Projected Service   = 2 - 11 - 04
 	
  Plus Actual Service   + 12 - 08 - 21
 	
  Total Service to Age 60 = 15 - 07 - 25		

Retirement Factor for Total Service to Age 60 (15) yrs (7) mos	**X**	**.274167**
Unreduced Projected Annuity	**S**	**6,820.73**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**S**	**N/A**
PROJECTED ANNUITY	**S**	**6,820.73**
GUARANTED MINIMUM ANNUITY Enter the **lesser** of: **!** 40% Annuity, or **!** Projected Annuity		
	S	**6,820.73**

DISABILITY ANNUITY COMPUTATION

Annuity Payable

Disability Annuity Payable	
Enter the **greater** of: **!** the EARNED annuty, or **!** the GUARANTEED MINIMUM annuity	
	$ 6,820.73
Reduction for Survivor Annuity Base selected by retiree $_____ Amount up to $3600 -_____ X .025 = $_____ Amount over $3600 =_____ X .10 = +_____	
Total Reduction =	- **N/A**
Annual Annuity	**$ 6,820.73**
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)	**$ 568.00**

Survivor Annuity Computation

Amount designated as survivor base	**$ N/A**
Spouse or former spouse entitled to 55% of survivor base	**X .55**
Annual Survivor Annuity	**$**
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)	**$**

Example 5: CSRS Disability Retirement -- Guaranteed Minimum
(40 Percent Annuity with Refund)

Name:	Terry Doherty
Last Day of Pay:	5-15-96
Date of Birth:	12-3-59
Civilian Service:	5-6-81 to 11-14-83 -- REFUNDED SERVICE
	10-11-84 to 5-15-96 -- COVERED SERVICE
Unused Sick Leave:	None
High-3 Average Salary:	$53,017
Survivor Benefits:	None

Note: Refunded service can only be used in the computation of a disability annuity if the individual redeposits the refund, plus interest. If a redeposit is not made, the service cannot be used in the disability computation. Two computations must be made to determine the affect payment of the redeposit will have on the annuity. Computation #1 includes credit for the refunded service. The individual will be entitled to the annuity resulting from this computation if the redeposit is paid. Computation #2 does not include credit for the refunded service. The individual will be entitled to the annuity resulting from this computation if the redeposit is not paid.

COMPUTATION 1:   INCLUDE CREDIT FOR REFUNDED SERVICE

PART I: COMPUTE ACTUAL CREDITABLE SERVICE

1.   Follow the procedures outlined in Chapter 50 to compute the amount of creditable CSRS service. Include credit for the refunded service. In this example, the amount of creditable CSRS service is **14 years, 1 month, and 14 days**.

PART II: COMPUTE THE EARNED ANNUITY

2.   Compute the unreduced earned annuity.
        a. Enter the high-3 average salary.
            $53,017

        b. Enter the years and months of total service for computation purposes.
            14y 1m

        c. Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 14 years, 1 month service.
            .244167

d.   Multiply the high-3 average salary by the retirement factor to obtain the unreduced earned annuity.
$53,017 X .244167 = $12,945.00

3.   If applicable, subtract 10 percent of the deposit due for nondeduction service prior to October 1, 1982, from the unreduced earned annuity to obtain the earned annuity reduced for deposit. In this example, all of the service was covered, so there is no reduction.
Earned Annuity = $12,945.00

Note: The reduction for age is not applicable in the disability computation.

PART III: COMPUTE THE GUARANTEED MINIMUM ANNUITY

4.   Calculate the 40% annuity. Multiply the high-3 average salary by 40%.
$53,017 X .40 = $21,206.80

Note: The reduction for unpaid deposit for pre-10/1/82 nondeduction service is not applicable in the 40% annuity computation.

5.   Calculate the annuity projecting service to age 60.
a.   Determine the total amount of service projected to age 60.
1)   Subtract age at separation (36y, 5m, 13d) from age 60 (59y, 11m, 30d) to obtain projected service.

59 - 11 - 30
36 - 05 - 13
23y - 6m - 17d

2)   Add actual service to projected service to determine the total service used for computation purposes. Eliminate any fractional part of a month.

23y - 06m - 17d
+   **14y - 01m - 14d**
37y - 08m - 01d

b.   Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 37 years, 8 months service.
.715833

c.   Multiply the high-3 average salary by the retirement factor to obtain the unreduced earned annuity projecting service to age 60.
$53,017 X .715833 = $37,951.32

d. If applicable, subtract 10 percent of the deposit due for nondeduction service prior to October 1, 1982, from the unreduced projected annuity to obtain the projected annuity reduced for deposit. In this example, all of the service was covered, so there is no reduction.

> **Projected Annuity = $37,951.32**

6. Determine guaranteed minimum annuity. Enter the LESSER of:
    -   the annuity based on 40% of the high-3 average salary ($21,206.80), or
    -   the annuity based on service projected to age 60 ($37,951.32).
        $21,206.80

PART IV: COMPUTE ANNUITY PAYABLE

7. Determine the disability annuity payable. Enter the GREATER of:
    -   the earned annuity ($12,945.00), or
    -   the guaranteed minimum annuity ($21,206.80).
        $21,206.80

8. Compute the reduction for the survivor election, if applicable. In this example, the individual did not elect to provide a survivor annuity.
    Annual Annuity = $21,206.80

9. Divide the annual annuity amount payable by 12 and round to the lower dollar to obtain the monthly annuity rate.
    $21,206.80 ÷ 12 = $1,767.00

COMPUTATION 2: EXCLUDE CREDIT FOR REFUNDED SERVICE

PART V: COMPUTE ACTUAL CREDITABLE SERVICE

10. Refer to the Computation of Service Credit Worksheet in step 1 and compute the amount of creditable CSRS service excluding credit for the refunded service. In this example, the amount of creditable CSRS service excluding the refunded service is **11 years, 7 months, and 5 days**.

PART VI: COMPUTE THE EARNED ANNUITY

11.   Compute the unreduced earned annuity.
         a.   Enter the high-3 average salary.
              $53,017

         b.   Enter the years and months of total service for computation purposes.
              11y 7m

         c.   Use the CSRS General Formula Computation Chart (Chart 4, Handbook
              Chapter 50, section 50C1.1-1) to obtain the retirement factor for 11 years,
              7 months service.
              .194167

         d.   Multiply the high-3 average salary by the retirement factor to obtain the
              unreduced earned annuity.
              $53,017 X .194167 = $10,294.15

12.   If applicable, subtract 10 percent of the deposit due for nondeduction service
         prior to October 1, 1982, from the unreduced earned annuity to obtain the
         earned annuity reduced for deposit. In this example, all of the service was
         covered, so there is no reduction.
         Earned Annuity = $10,294.15

Note: The reduction for age is not applicable in the disability computation.

PART VII: COMPUTE THE GUARANTEED MINIMUM ANNUITY

13.   Calculate the 40% annuity. Multiply the high-3 average salary by 40%.
         $53,017 X .40 = $21,206.80
         Note: The reduction for unpaid deposit for pre-10/1/82 nondeduction
                  service is not applicable in the 40% annuity computation.

14.   Calculate the annuity projecting service to age 60.
         a.   Determine the total amount of service projected to age 60.
              1)   Subtract age at separation (36y, 5m, 13d) from age 60 (59y, 11m,
                   30d) to obtain projected service.

                                    59 - 11 - 30
                                    36 - 05 - 13
                                    23y - 6m - 17d

              2)   Add actual service to projected service to determine the total service
                   used for computation purposes. Eliminate any fractional part of a
                   month.

                                    23y - 06m - 17d
                        +   **11y - 07m - 05d**
                                    35y - 01m - 22d

b. Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 35 years, 1 month service.
   .664167

c. Multiply the high-3 average salary by the retirement factor to obtain the unreduced earned annuity projecting service to age 60.
   $53,017 X .664167 = $35,212.14

d. If applicable, subtract 10 percent of the deposit due for nondeduction service prior to October 1, 1982, from the unreduced projected annuity to obtain the projected annuity reduced for deposit. In this example, all of the service was covered, so there is no reduction.

Projected Annuity = $35,212.14

15.   Determine guaranteed minimum annuity. Enter the LESSER of:
   -   the annuity based on 40% of the high-3 average salary ($21,206.80), or
   -   the annuity based on service projected to age 60 ($35,212.14).
       $21,206.80

PART VIII: COMPUTE ANNUITY PAYABLE

16.   Determine the disability annuity payable. Enter the GREATER of:
   -   the earned annuity ($10,294.15), or
   -   the guaranteed minimum annuity ($21,206.80).
       $21,206.80

17.   Compute the reduction for the survivor election, if applicable. In this example, the individual did not elect to provide a survivor annuity.
       Annual Annuity = $21,206.80

18.   Divide the annual annuity amount payable by 12 and round to the lower dollar to obtain the monthly annuity rate.
       $21,206.80 ÷ 12 = $1,767.00

Note: In this example, the monthly annuity will be $1,767.00 whether or not the redeposit is paid.

COMPUTATION OF SERVICE CREDIT

		YR	MO	DY
NAME: **Terry Doherty**	DATE OF RETIREMENT:	**96**	**5**	**15**
	DATE OF BIRTH:	**59**	**12**	**3**
	AGE:	**36**	**5**	**13**

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**
81-05-06	83-11-14	REFUNDED	2	6	9
84-10-11	96-05-15	COVERED (Full CSRS)	11	7	5
		TOTAL CIVILIAN/MILITARY	14	1	14
		UNUSED SICK LEAVE *	--	--	--
		TOTAL CREDITABLE SERVICE	14	1	14
		TOTAL SERVICE FOR COMPUTATION PURPOSES	14	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.

DISABILITY ANNUITY COMPUTATION

EARNED ANNUITY

High-3 Average Salary	**$**	**53,017**
Retirement Factor for Total Service (14) yrs (1) mos	**X**	**.244167**
Unreduced Earned Annuity	**$**	**12,945.00**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**$**	**N/A**
EARNED ANNUITY	**$**	**12,945.00**

GUARANTEED MINIMUM ANNUITY

40% OF HIGH - 3 AVERAGE SALARY		
High-3 Average Salary	$	53,017
Multiply by 40%	X	.40
40% ANNUITY	$	21,206.80

PROJECTED ANNUITY		
High-3 Average Salary	$	53,017

Retirement Factor for Total Service to Age 60
 	
Compute Projected Service
 	
          YRS - MOS - DYS
 	
    Age 60   =   59 - 11 - 30
 	
  Minus Age at Retirement   -   36 - 05 - 13
 	
       Projected Service   =   23 - 06 - 17
 	
  Plus Actual Service   +   14 - 01 - 14
 	
  Total Service to Age 60 = 37 - 08 - 01		

Retirement Factor for Total Service to Age 60 (37) yrs (8) mos	X	.715833
Unreduced Projected Annuity	$	37,951.32
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	$	N/A
PROJECTED ANNUITY	$	37,951.32
GUARANTEED MINIMUM ANNUITY Enter the **lesser** of: ! 40% Annuity, or ! Projected Annuity		
	$	21,206.80

DISABILITY ANNUITY COMPUTATION

Annuity Payable

Disability Annuity Payable
 	
Enter the **greater** of:
   !   the EARNED annuty, or
   ! the GUARANTEED MINIMUM annuity	

	$ **21,206.80**
Reduction for Survivor Annuity Base selected by retiree $_____ Amount up to $3600 -_____ X .025 = $_____ Amount over $3600 =_____ X .10 = +_____	
Total Reduction =	- **N/A**
Annual Annuity	$ **21,206.80**
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)	$ **1,767.00**

Survivor Annuity Computation

Amount designated as survivor base	$ **N/A**
Spouse or former spouse entitled to 55% of survivor base	**X .55**
Annual Survivor Annuity	**$**
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)	**$**

COMPUTATION OF SERVICE CREDIT

		YR	MO	DY
NAME:	Terry Doherty			
	DATE OF RETIREMENT:	96	5	15
	DATE OF BIRTH:	59	12	3
	AGE:	36	5	13

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**
81-05-06	83-11-14	REFUNDED	--	--	--
84-10-11	96-05-15	COVERED (Full CSRS)	11	7	5
		TOTAL CIVILIAN/MILITARY	11	7	5
		UNUSED SICK LEAVE *	--	--	--
		TOTAL CREDITABLE SERVICE	11	7	5
		TOTAL SERVICE FOR COMPUTATION PURPOSES	11	7	

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

DISABILITY ANNUITY COMPUTATION

EARNED ANNUITY

High-3 Average Salary	**S**	**53,017**
Retirement Factor for Total Service (11) yrs (7) mos	**X**	**.194167**
Unreduced Earned Annuity	**S**	**10,294.15**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**S**	**N/A**
EARNED ANNUITY	**S**	**10,294.15**

GUARANTEED MINIMUM ANNUITY

40% OF HIGH - 3 AVERAGE SALARY		
High-3 Average Salary	**S**	**53,017**
Multiply by 40%	**X**	**.40**
40% ANNUITY	**S**	**21,206.80**

PROJECTED ANNUITY		
High-3 Average Salary	**S**	**53,017**
Retirement Factor for Total Service to Age 60		

Compute Projected Service

	YRS - **MOS** - **DYS**
Age 60 =	59 - 11 - 30
Minus Age at Retirement -	36 - 05 - 13
Projected Service =	23 - 06 - 17
Plus Actual Service +	11 - 07 - 05
Total Service to Age 60 =	35 - 01 - 22

Retirement Factor for Total Service to Age 60 (35) yrs (1) mos	**X**	**.664167**
Unreduced Projected Annuity	**S**	**35,212.14**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**S**	**N/A**
PROJECTED ANNUITY	**S**	**35,212.14**

GUARANTED MINIMUM ANNUITY Enter the **lesser** of: ! 40% Annuity, or ! Projected Annuity		
	S	**21,206.80**

DISABILITY ANNUITY COMPUTATION

Annuity Payable

Disability Annuity Payable	

Enter the **greater** of:
    !   the EARNED annuty, or
    ! the GUARANTEED MINIMUM annuity	

	$ 21,206.80
Reduction for Survivor Annuity Base selected by retiree $_____ Amount up to $3600 -_____ X .025 = $_____ Amount over $3600 =_____ X .10 = +_____	
Total Reduction =	- **N/A**
Annual Annuity	**$ 21,206.80**
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)	**$ 1,767.00**

Survivor Annuity Computation

Amount designated as survivor base	**$ N/A**
Spouse or former spouse entitled to 55% of survivor base	**X .55**
Annual Survivor Annuity	**$**
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)	**$**

Example 6:   CSRS Disability Retirement -- Guaranteed Minimum
(40 Percent Annuity -- CSRS Offset Employee)

Name:	Lee Powell
Last Day of Pay:	11-30-95
Date of Birth:	3-9-50
Civilian Service:	5-21-78 to 8-28-84 -- COVERED CSRS SERVICE
	9-12-86 to 11-30-95 -- COVERED CSRS INTERIM/OFFSET SERVICE
Unused Sick Leave:	None
High-3 Average Salary:	$37,360
Survivor Benefits:	Full
Monthly Social Security Disability Benefit:	$841.00
	(Benefit is effective 5/1/96)
Monthly Social Security Disability Benefit Computed Without CSRS Offset Earnings:	$706.00

PART I: COMPUTE ACTUAL CREDITABLE SERVICE

1.   Follow the procedures outlined in Chapter 50 to compute the amount of
creditable CSRS service. In this example, the amount of creditable CSRS
service is **15 years, 5 months, and 27 days**.

PART II: COMPUTE THE EARNED ANNUITY

2.   Compute the unreduced earned annuity.
a.   Enter the high-3 average salary.
$37,360

b.   Enter the years and months of total service for computation purposes.
15y 5m

c.   Use the CSRS General Formula Computation Chart (Chart 4, Handbook
Chapter 50, section 50C1.1-1) to obtain the retirement factor for 15 years,
5 months service.
.270833

d.   Multiply the high-3 average salary by the retirement factor to obtain the
unreduced earned annuity.
$37,360 X .270833 = $10,118.32

3.   If applicable, subtract 10 percent of the deposit due for nondeduction service
prior to October 1, 1982, from the unreduced earned annuity to obtain the
earned annuity reduced for deposit. In this example, all of the service was
covered, so there is no reduction.
Earned Annuity = $10,118.32

Note: The reduction for age is not applicable in the disability computation.

PART III: COMPUTE THE GUARANTEED MINIMUM ANNUITY

4.   Calculate the 40% annuity. Multiply the high-3 average salary by 40%.
$37,360 X .40 = $14,944.00

    Note: The reduction for unpaid deposit for pre-10/1/82 nondeduction service is not applicable in the 40% annuity computation.

5.   Calculate the annuity projecting service to age 60.
    a.   Determine the total amount of service projected to age 60.
       1)   Subtract age at separation (45y, 8m, 20d) from age 60 (59y, 11m, 30d) to obtain projected service.

$$
\begin{array}{r}
59 - 11 - 30 \\
\underline{45 - 08 - 20} \\
\mathbf{14y} - \mathbf{3m} - \mathbf{10d}
\end{array}
$$

       2)   Add actual service to projected service to determine the total service used for computation purposes. Eliminate any fractional part of a month.

$$
\begin{array}{r}
\mathbf{14y} - \mathbf{03m} - \mathbf{10d} \\
+ \quad \underline{\mathbf{15y} - \mathbf{05m} - \mathbf{27d}} \\
\mathbf{29y} - \mathbf{09m} - 07d
\end{array}
$$

    b.   Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 29 years, 9 months service.
       .557500

    c.   Multiply the high-3 average salary by the retirement factor to obtain the unreduced earned annuity projecting service to age 60.
       $37,360 X .557500 = $20,828.20

    d.   If applicable, subtract 10 percent of the deposit due for nondeduction service prior to October 1, 1982, from the unreduced projected annuity to obtain the projected annuity reduced for deposit. In this example, all of the service was covered, so there is no reduction.

    Projected Annuity = $20,828.20

6.   Determine guaranteed minimum annuity. Enter the LESSER of:
    -     the annuity based on 40% of the high-3 average salary ($14,944.00), or
    -     the annuity based on service projected to age 60 ($20,828.20).
       $14,944.00

PART IV: COMPUTE ANNUITY PAYABLE

7.   Determine the disability annuity payable. Enter the GREATER of:
-        the earned annuity ($10,118.32), or
-        the guaranteed minimum annuity ($14,944.00).
        $14,944.00

8.   Compute the reduction for the survivor election.
        a.   Enter the base selected by the retiree for the survivor annuity.
            $14,944.00

        b.   Multiply the first $3,600 of the base by 2.5 percent.
            $3,600 X .025 = $90.00

        c.   Multiply the amount of the base in excess of $3,600 ($14,944.00 - $3,600
            = $11,344.00), by 10 percent.
            $11,344.00 X 10% = $1,134.40

        d.   Total the reduction for survivor annuity.
            $90.00 + $1,134.40 = $1,224.40

9.   Subtract the total reduction for survivor annuity from the disability annuity
        payable to obtain the annual annuity amount payable.
        $14,944.00 - $1,224.40 = $13,719.60

10.   Divide the annual annuity amount payable by 12 and round to the lower dollar
        to obtain the monthly annuity rate.
        $13,719.60 ÷ 12 = $1,143.00

PART V: SURVIVOR ANNUITY PAYABLE

11.   Compute the survivor annuity.
        a.   Multiply the amount designated as the survivor base by 55 percent, to
            obtain the annual survivor rate.
            $14,944.00 X .55 = $8,219.20

        b.   Divide the annual survivor rate by 12 and round to the lower dollar to
            obtain the monthly survivor annuity rate.
            $8,219.20 ÷ 12 = $684.00

PART VI: *COMPUTE MONTHLY ANNUITY RATE AFTER OFFSET RELATING TO THE DISABILITY BENEFIT UNDER THE SOCIAL SECURITY ACT*

Note: Two separate computations must be performed to establish the offset amount. The offset amount equals the lower of the two results. There are three significant variables used to establish the offset amount:

     !   the amount of service (rounded to the nearest year) subject to CSRS AND FICA coverage (i.e. CSRS Interim and CSRS Offset coverage),

     !   the amount of the individual's Social Security benefit (this amount includes credit for earnings subject to the Social Security Old Age, Survivor, and Disability Insurance (OASDI) tax during CSRS Interim and CSRS Offset service), and

     !   the amount of the individual's Social Security benefit computed without credit for the earnings subject to OASDI tax during CSRS Interim and CSRS Offset service (this amount is computed by the Social Security Administration exclusively for OPM).

12   Compute the first potential offset amount (Offset Computation A).
       a.   Enter the individual's monthly Social Security benefit. In this example, the Social Secuity benefit equals **$841.00**.

       b.   Subtract the monthly Social Security benefit computed without credit for the earnings subject to OASDI tax during CSRS Interim and CSRS Offset service. In this example, this adjusted benefit equals **$706.00.**

       c.   Enter the result.
          $841.00 - $706.00 = $135.00

Note: An agency retirement counselor computing an annuity estimate will not be able to perform this computation. The amount of the Social Security benefit computed without credit for the earnings subject to OASDI tax during CSRS Interim and CSRS Offset service referenced in 12b can only be ascertained by OPM upon request to the Social Security Administration. An employee can obtain an estimate of his/her Social Security benefit (referenced in 12a above, and again in 13b below) by submitting a *Request for Earnings and Benefit Estimate Statement* (form SSA-7004-SM-OP1) to the Social Security Administration.

13. Compute the other potential offset amount (Offset Computation B).
    a. Divide the number of years of CSRS Interim and CSRS Offset coverage (rounded to the nearest year) by 40 and enter the result.
       9 ÷ 40 = .225

    b. Multiply the result by the monthly Social Security benefit. The product equals the other potential offset amount.
       .225 X 841 = $189.23.

14. Determine the actual offset amount. Enter the lower of:
    - offset computation A ($135.00), or
    - offset computation B ($189.23).
    $135.00

15. Compute the monthly annuity after offset. Subtract the offset amount by the monthly annuity otherwise payable.
    $1,143.00 - $135.00 = $1,008.00

Note: Lee Powell's annuity rate from 12-01-95 to 4-30-96 equals $1,143.00. The annuity rate changes to $1,008.00 on 5/1/96 when Lee becomes eligible for benefits from the Social Security Administration.

COMPUTATION OF SERVICE CREDIT

		YR	MO	DY
NAME: Lee Powell	**DATE OF RETIREMENT:**	95	11	30
	DATE OF BIRTH:	50	3	9
	AGE:	45	8	20

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**
78-05-21	84-08-28	COVERED (CSRS)	6	3	8
84-10-11	96-05-15	COVERED (CSRS Interim/Offset)	9	2	19
		TOTAL CIVILIAN/MILITARY	15	5	27
		UNUSED SICK LEAVE *	--	--	--
		TOTAL CREDITABLE SERVICE	15	5	27
		TOTAL SERVICE FOR COMPUTATION PURPOSES	15	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.

DISABILITY ANNUITY COMPUTATION

EARNED ANNUITY

High-3 Average Salary	**$**	**37,360**
Retirement Factor for Total Service (15) yrs (5) mos	**X**	**.270833**
Unreduced Earned Annuity	**$**	**10,118.32**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**$**	**N/A**
EARNED ANNUITY	**$**	**10,118.32**

GUARANTEED MINIMUM ANNUITY

40% OF HIGH - 3 AVERAGE SALARY		
High-3 Average Salary	**$**	**37,360**
Multiply by 40%	**X**	**.40**
40% ANNUITY	**$**	**14,944.00**

PROJECTED ANNUITY		
High-3 Average Salary	**$**	**37,360**
Retirement Factor for Total Service to Age 60		

Compute Projected Service

	YRS - MOS - DYS	
Age 60	= 59 - 11 - 30	
Minus Age at Retirement	- 45 - 08 - 20	
Projected Service	= 14 - 03 - 10	
Plus Actual Service	+ 15 - 05 - 27	
Total Service to Age 60	= 29 - 09 - 07	

Retirement Factor for Total Service to Age 60 (29) yrs (9) mos	**X**	**.557500**
Unreduced Projected Annuity	**$**	**20,828.20**
Reduction for Non-Deposit for Pre-10/1/82 Service (10% of deposit due)	**$**	**N/A**
PROJECTED ANNUITY	**$**	**20,828.20**

GUARANTEED MINIMUM ANNUITY Enter the **lesser** of: ! 40% Annuity, or ! Projected Annuity		
	$	**14,944.00**

DISABILITY ANNUITY COMPUTATION

Annuity Payable

Disability Annuity Payable
 	
Enter the **greater** of:
   !   the EARNED annuty, or
   ! the GUARANTEED MINIMUM annuity	

	$ 14,944.00
Reduction for Survivor Annuity Base selected by retiree $ 14,944.00 Amount up to $3600 - 3,600 X .025 = $ 90.00 Amount over $3600 = 11,344.00 X .10 = + 1,134.40	
Total Reduction =	**- 1,224.40**
Annual Annuity	**$ 13,719.60**
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)	**$ 1,143.00**

Survivor Annuity Computation

Amount designated as survivor base		**$ 14,944.00**
Spouse or former spouse entitled to 55% of survivor base		**X .55**
Annual Survivor Annuity		**$ 8,219.20**
MONTHLY ANNUITY (Divide by 12, round down to lower dollar)		**$ 684.00**

COMPUTATION OF OFFSET RELATING TO BENEFITS UNDER THE SOCIAL SECURITY ACT

CSRS OFFSET EMPLOYEES

Offset Computation A

Monthly Social Security Benefit Incuding Offset Earnings	$ 841.00
Monthly Social Security Benefit Without Offset Earnings	- 706.00
Potential Offset Amount	$ 135.00

Offset Computation B

Years of Service Subject to CSRS AND FICA (Round to the nearest year)	9
Divide by 40	÷ 40
	= .225
Monthly Social Security Benefit Incuding Offset Earnings	X $841.00
Potential Offset Amount	$ $189.23

Monthly Offset Relating to Benefits Under the Social Security Act

Monthly Offset -- The **LESSER** of Computations A or B	$ $135.00

Compute Monthly Annuity After Offset

Monthly Annuity Otherwise Payable	$ 1,143.00
Subtract Monthly Offset Relating to Benefits Under the Social Security Act	- 135.00
CSRS Monthly Annuity After Offset	$ 1,008.00

Example 7:   FERS Average Salary -- Less than 3 Years of Service

<div align="center">

Appointment:12-07-93: $35,333
07-04-94: $37,900
02-04-95: $39,876
09-01-95: $41,900
06-16-96:   Disability Retirement

</div>

In this example, because the employee has less than 3 years of service, all creditable civilian service is used to compute the average salary. The beginning date of the average salary period is the date of appointment (12-07-93).

1.   Compute earnings.

   a.   Enter the beginning date of the creditable civilian service (12-07-93) in column A.

   b.   Enter the rate of salary in effect on that date in column C ($35,333).

   Note: Use basic pay only. Basic pay does not include overtime, sugestion awards, bonuses, etc. (See Chapter 50, section 50A2.1-5, for a complete explanation of basic pay.)

   c.   Enter the last day that salary rate was in effect (7-3-94) in column B.

   d.   Compute the total time (6 months 27 days) in column D by subtracting the date in column A from the date in column B (B - A).

   e.   In column E, enter the time factor (.575000) from the 360 DAY FACTOR CHART (see section 50C1.1-1 in Chapter 50) for the total time (6 months 27 days).

   f.   Multiply the annual basic pay by the time factor (C x E) to compute the salary earned in column F ($20,316.48) and round to the nearest cent.

2.   Follow step 1 for subsequent salary rates and compute earnings in the same manner.

3. Check computation.

   a. Total time (column D) does not equal 36 months (3 years) in this example, but should equal 28 months, 70 days (2 years, 6 months, 10 days).

   b. Time factor (column E) does not equal 3.0 in this example, but should equal 2.527777. Check the time factor by using the 360 DAY FACTOR CHART for the total time (2 years, 6 months, 10 days).

4. Total all earnings in column F ($98,640.70).

5. Divide the total salary earned by the total time factor to compute the average salary. Round the average salary computed to the nearest dollar.

   $98,640.70 ÷ 2.527777 = $39,022.71 = $39,023.00

HIGH-3 AVERAGE PAY COMPUTATION

N/A   **DATE OF RETIREMENT Plus 1 Day***

Minus (-) _____   **3 YEARS OF SERVICE**

Equals (=) _____   **BEGINNING DATE OF HIGH-3**

Columns

A = **Beginning date of the high-3 period and beginning dates of each pay change**

B = **The last date at each rate of pay ending with the date of retirement**

C = **The pay rate in effect as of the date in A**

D = **Total time at rate of pay**

E = **Time factor for each rate of pay (See section 50.C1.1-1, Chart 1)**

F = **Pay earned at each rate of pay (C x E)**

A FROM			B TO			C ANNUAL BASIC PAY	D TOTAL TIME			E TIME FACTORS	F Pay EARNED (C x E)
YR	MO	DAY	YR	MO	DAY		YRS	MOS	DAYS		
93	12	07	94	07	03	$35,333		6	27	.575000	$20,316.48
94	07	04	95	02	03	$37,900		7	00	.583333	$22,108.32
95	02	04	95	08	31	$39,876		6	27	.575000	$22,928.70
95	09	01	96	06	16	$41,900		9	16	.794444	$33,287.20
					TOTALS	2	6	10	**2.527777	$98,640.70

$ ____98,640.70____   ÷ **3**   = $ __39,023.00__

Total Pay Earned   2.527777   **High-3 Average Pay**

*   **High-3 period is usually the last 3 years, but see section 50A2.1-4.**

**   **Factors should total 3, but may be slightly more or less because of rounding.**

Example 8: FERS Disability Retirement

Name:	Ruth Castillo
Last Day of Pay:	9-3-95
Date of Birth:	6-9-65
Civilian Service:	2-9-91 to 9-3-95 (Covered)
High-3 Average Salary:	$37,950
Survivor Benefits:	Full

PART I: COMPUTE ACTUAL CREDITABLE SERVICE

1. Follow the procedures outlined in Chapter 50 to compute the amount of creditable FERS service. In this example, the amount of creditable FERS service is **4 years, 6 months, and 25 days.**

PART II: COMPUTE THE EARNED ANNUITY

2. Compute the unreduced FERS basic annuity.
   a. Enter the high-3 average salary.   **$37,950.00**

   b. Enter the years and months of total service for computation purposes.
      4y 6m

   c. Use the FERS 1 Percent Accrual Factor Chart (Chart 6, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 4 years, 6 months service.   **.045000**

   d. Multiply the high-3 average salary by the retirement factor to obtain the unreduced FERS basic annuity.
      $37,950 X .045000 = $1,707.75

3. Compute the earned annuity monthly benefit.

   a. Enter the base selected by the retiree for the survivor annuity. **$1,707.75**

   b. Multiply the base selected by 10 percent to obtain the total survivor reduction.
      $1,707.75 X .10 = $170.78

   c. Subtract the total survivor reduction from the unreduced basic annuity to obtain the annual annuity.   **$1,707.75 - $170.78 = $1,536.97**

   d. Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly annuity for the earned benefit.
      $1,536.97 ÷ 12 = $128.00

   Note: The FERS disability earned annuity is not subject to the FERS age reduction.

PART III: ANNUITY PAYABLE FOR FIRST 12 MONTHS

4. Multiply the high-3 average salary by 60 percent to determine the FERS disability annuity
   without the Social Security reduction.
   $37,950 X .60 = $22,770.00

5. Subtract 100 percent of any Social Security disability benefits payable to obtain the FERS
   Disability Annuity With Social Security Reduction. (In this example, no Social Security
   benefits are payable.)
   $22,770.00 - (100 % X 0) = $22,770.00

6. Compute the monthly FERS disability annuity with Social Security reduction.

   a. Enter the base selected by the retiree for the survivor annuity. **$22,770.00**

   b. Multiply the base selected by 10 percent to obtain the total survivor reduction.
       $22,770.00 X .10 = $2,277.00

   c. Subtract the total survivor reduction from the annuity with Social Security reduction to
       obtain the annual annuity.
       $22,770.00 - $2,277.00 = $20,493.00

   d. Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly
       annuity.
       $20,493.00 ÷ 12 = $1,707.00

7. Determine the FERS disability benefit payable in the first 12 months.   Enter the greater of:
     - the FERS earned monthly annuity benefit ($128.00), or
     - the FERS monthly benefit after 60% of the high-3 average salary has been reduced by
       100% of the Social Security disability benefit, and the cost of the survivor election.
       ($1,707.00)
       $1,707.00.

PART IV: ANNUITY PAYABLE AFTER THE FIRST 12 MONTHS

8. Multiply the high-3 average salary by 40 percent to determine the FERS disability annuity
   without the Social Security reduction, beginning the second year of retirement.
   $37,950 X .40 = $15,180.00

9. Subtract 60 percent of any Social Security benefits payable. (In this example, no Social
   Security benefits are payable.)
   $15,180.00 - (60% X 0) = 0

10.   Compute the monthly FERS disability annuity with Social Security reduction.

   a. Enter the base selected by the retiree for the survivor annuity. **$15,180.00**

   b. Multiply the base selected by 10 percent to obtain the total survivor reduction.
      $15,180.00 X .10 = $1,518.00

   c. Subtract the total survivor reduction from the annuity with Social Security reduction to obtain the annual annuity.
      $15,180.00 - $1,518.00 = $13,662.00

   d. Divide the annual annuity by 12 and round to the next lower dollar to obtain the monthly annuity.
      $13,662.00 ÷ 12 = $1,138.00

11.   Determine the FERS disability benefit payable after the first 12 months.   Enter the greater of:
      - the FERS earned monthly annuity benefit ($128.00), or
      - the FERS monthly benefit after 40% of the high-3 average salary has been reduced by 60% of the Social Security disability benefit, and the cost of the survivor election ($1,138.00)
      $1,138.00.

PART V: RECOMPUTATION AT AGE 62

12.   Compute the unreduced basic annuity projected to age 62.

   a. Enter updated high-3 average salary. **$37,950.00**

      Note: The high-3 average salary used in the recomputation at age 62 is the high-3 average salary at date of retirement, updated by all **FERS COLA'S** occurring during the period the annuitant was entitled to FERS disability benefits (regardless of whether the annuity was affected by COLA's.) Since future COLA rates are unknown, the high-3 average salary at date of retirement is used for the recomputation in this example.

   b. Determine the adjusted time base used in the recomputation.

      1)   Subtract age at retirement (30y, 2m 25d) from age 62 (61y 11m 30d) to obtain the time on the annuity rolls. This time on the annuity rolls will be credited as projected service.
             61y - 11m - 30d
          - <u>30y - 02m - 25d</u>
             31y - 09m - 05d

2)   Add actual FERS service to projected service to determine the total service used for computation purposes. Eliminate any fractional part of a month.

$$31y - 09m - 05d$$
$$+ \ \underline{04y - 06m - 25d}$$
$$\textbf{36y} - \textbf{04m} - 00d$$

c. Find the retirement factor, using the appropriate FERS accrual factor chart, that corresponds to the total service used in the recomputation.
.399667

Note: The 1.1 percent retirement factor is used in the recomputation at age 62 if total service is 20 years or more.

d. Multiply the high-3 average salary by the retirement factor for the adjusted service to obtain the unreduced FERS basic annuity.
$37,950.00 X .399667 = $15,167.36

13.   Compute the monthly annuity payable.

a. Enter the base selected by the retiree for the survivor annuity.
$15,167.36

b. Multiply the base selected by 10 percent to obtain the total survivor reduction.
$15,167.36 X .10 = $1,516.74

c. Subtract the total survivor reduction from the unreduced basic annuity to obtain the annual annuity.
$15,167.36 - $1,516.74 = $13,650.62

d. Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly annuity recomputed at age 62.
$13,650.62 ÷ 12 = $1,137.00

PART VI: SURVIVOR ANNUITY PAYABLE

14.   Compute the survivor annuity.

a. Multiply the amount designated as the survivor base by 50 percent.
$15,167.36 X .50 = $7,583.68

b. Divide the annual survivor rate by 12 and round to the lower dollar to obtain the monthly survivor annuity rate payable.
    $7,583.68 ÷ 12 = $631.00

Note: The survivor annuity in this example is computed as if the annuitant died before age 62. Thus, the survivor annuity is based on the same computation shown in Part V, except that the high-3 average salary is updated only for all FERS COLA's occurring prior to the death of the annuitant.

If the disability annuitant dies at or after age 62, the survivor annuity is computed using the same method as would be used in the case of a non-disability annuitant. See Chapter 71, Death Benefits--Death of an Annuitant, for further details.

COMPUTATION OF SERVICE CREDIT

		YR	MO	DY
NAME: **Ruth Castillo**	DATE OF RETIREMENT:	95	9	3
	DATE OF BIRTH:	65	6	9
	AGE:	30	2	25

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**
91-02-09	95-09-03	COVERED	4	6	25
		TOTAL CIVILIAN/MILITARY	4	6	25
		UNUSED SICK LEAVE *	--	--	--
		TOTAL CREDITABLE SERVICE	4	6	25
		TOTAL SERVICE FOR COMPUTATION PURPOSES	4	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.

FERS BASIC ANNUITY COMPUTATION DISABILITY

EARNED ANNUITY COMPUTATION

High-3 Average Pay	**$ 37,950**
Retirement Factor (4) yrs. (6) mos. (see section 50C1.1-1, Chart 6)	**X .045000**
Unreduced FERS Basic Annuity	**$ 1,707.75**

Reduction Made for Survivor Annuity
        Base selected by retiree $ 1,707.75
        X .10	

Total reduction $ 170.78	**- 170.78**
ANNUAL ANNUITY	**$ 1,536.97**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 128.00**

FERS BASIC ANNUITY COMPUTATION DISABILITY

Benefits Payable in First 12 Months

High-3 Average Pay	**$ 37,950**
Multiply by 60%	**X .60**
FERS Disability Annuity Without Social Security Reduction	**$ 22,770.00**
Less 100% of Social Security Disability Benefit (annual rate)	**- 0**
FERS Disability Annuity With Social Security Reduction	**$ 22,770.00**

Reduction for Survivor Annuity
    Base selected by retiree   **$ 22,770.00**
                             X .10	

Total reduction **$ 2,277.00**	**- 2,277.00**
Annual Annuity	**$ 20,493.00**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 1,707.00**

FERS Disability Benefit Payable in First 12 Months
    Enter the greater of:
      !   Monthly FERS Earned Disability Annuity, or
      !   Monthly FERS Disability Annuity With Social Security Reduction
	$ 1,707.00

FERS BASIC ANNUITY COMPUTATION DISABILITY

Benefits Payable After the First 12 Months

High-3 Average Pay	**$ 37,950**
Multiply by 40%	**X .40**
FERS Disability Annuity Without Social Security Reduction	**$ 15,180.00**
Less 60% of Social Security Disability Benefit Annual Social Security Benefit _____0_____ X .60 =	 **- 0**
FERS Disability Annuity With Social Security Reduction	**$ 15,180.00**
Reduction for Survivor Annuity **Base selected by retiree $ 15,180.00** **X .10** **Total reduction $ 1,518.00**	 **- 1,518.00**
Annual Annuity	**$ 13,662.00**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 1,138.00**
FERS Disability Benefit Payable After the First 12 Months Enter the greater of: **!** Monthly FERS Earned Disability Annuity, or **!** Monthly FERS Disability Annuity With Social Security Reduction	 **$ 1,138.00**

FERS BASIC ANNUITY COMPUTATION

DISABILITY

Recomputation at Age 62

High-3 Average Pay	$ 37,950

Retirement Factor for FERS Service (See section 50C1.1-1, Chart 6 or 7)
 	
Compute Adjusted Time Base for Recomputation
 	
                                      YRS - MOS - DYS
 	
    Age 62   =   61 - 11 - 30
 	
    Minus Age at Retirement   -   30 - 02 - 25
 	
    Total Time on Annuity Rolls =   31 - 09 - 05
 	
    Plus Total Creditable Service +   4 - 06 - 25
 	
  Adjusted Time Base for Recomputation = 36 - 04 - 00	

Retirement Factor for Adjusted Time Base	**X .399667**
Unreduced FERS Basic Annuity	**$ 15,167.36**

Reduction Made for Survivor Annuity
 	
    Base selected by retiree   **$ 15,167.36**
                                     X   .10
 	
    Total reduction **$ 1,516.74**	

	- 1,516.74
Annual Annuity	**$ 13,650.62**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 1,137.00**

FERS BASIC ANNUITY COMPUTATION DISABILITY

Survivor Annuity Computation

Survivor Base Elected ! From the **EARNED ANNUITY COMPUTATION** if employee is eligible for an immediate unreduced voluntary retirement at separation, or ! From the **RECOMPUTATION AT AGE 62** if employee is not eligible for an immediate unreduced voluntary retirement at separation.	
	$ 15,167.36
Spouse or former spouse entitled to 50% of survivor base	**X .50**
Annual Survivor Annuity	**$ 7,583.68**
Monthly Survivor Annuity (Divide by 12, round down to lower dollar)	**$ 631.00**

Example 9: FERS Disability Retirement -- Social Security Offset

Name:	Stephen Innis
Last Day of Pay:	12-6-99
Date of Birth:	7-22-48
Civilian Service:	8-1-87 through 12-6-99
	Covered Service
High-3 Average Salary:	$28,258
Survivor Benefits:	Full

PART I: COMPUTE ACTUAL CREDITABLE SERVICE

1. Follow the procedures outlined in Chapter 50 to compute the amount of creditable FERS
    service. In this example, the amount of creditable FERS service is **12 years, 4 months, 6
    days.**

PART II: COMPUTE THE EARNED ANNUITY

2. Compute the unreduced FERS basic annuity.
    a.   Enter the high-3 average salary.
           $28,258.00

    b.   Enter the years and months of total service for computation purposes.
           12y 4m

    c.   Use the FERS 1 Percent Accrual Factor Chart (Chart 6, Handbook Chapter 50,
           section 50C1.1-1) to obtain the retirement factor for 12 years, 4 months service.
           .123333

    d.   Multiply the high-3 average salary by the retirement factor to obtain the unreduced
           FERS basic annuity.
           $28,258 X .123333 = $3,485.14

3. Compute the earned annuity monthly benefit.

    a.   Enter the base selected by the retiree for the survivor annuity.
           $3,485.14

    b.   Multiply the base selected by 10 percent to obtain the total survivor reduction.
           $3,485.14 X .10 = $348.51

    c.   Subtract the total survivor reduction from the unreduced basic annuity to obtain the
           annual annuity.   **$3,485.14 - $348.51 = $3,136.63**

    d.   Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly
           annuity for the earned benefit.
           $3,136.53 ÷ 12 = $261.00

    Note: The FERS disability earned annuity is not subject to the FERS age reduction.

PART III: ANNUITY PAYABLE FOR FIRST 12 MONTHS

4. Multiply the high-3 average salary by 60 percent to determine the FERS disability annuity without the Social Security reduction.
$28,258 X .60 = $16,954.80

5. Subtract 100 percent of any Social Security disability benefits payable to obtain the FERS Disability Annuity With Social Security Reduction. Assume, for this example, that the annual Social Security disability benefit payable is $5,000.00.
$16,954.80 - $5,000 = $11,954.80

6. Compute the monthly FERS disability annuity with Social Security reduction.

    a.   Enter the base selected by the retiree for the survivor annuity. **$11,954.80**

    b.   Multiply the base selected by 10 percent to obtain the total survivor reduction.
    $11,954.80 X .10 = $1,195.48

    c.   Subtract the total survivor reduction from the annuity with Social Security reduction to obtain the annual annuity.
    $11,954.80 - $1,195.48 = $10,759.32

    d.   Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly annuity.
    $10,759.32 ÷ 12 = $896.00

7. Determine the FERS disability benefit payable in the first 12 months.   Enter the greater of:
    -    the FERS earned monthly annuity benefit ($261.00), or
    -    the FERS monthly benefit after 60% of the high-3 average salary has been reduced by 100% of the Social Security disability benefit, and the cost of the survivor election. ($896.00)
    $896.00.

PART IV: ANNUITY PAYABLE AFTER THE FIRST 12 MONTHS

8. Multiply the high-3 average salary by 40 percent to determine the FERS disability annuity without the Social Security reduction, beginning the second
year of retirement.   **$28,258 X .40 = $11,303.20**

9. Subtract 60 percent of any Social Security benefits payable. Assume for this example that the annual Social Security disability benefit payable is $5,000.
    !   60% X $5,000   = $3,000.00

    ! $11,303.20 - $3,000.00   = $8,303.20

10.   Compute the monthly FERS disability annuity with Social Security reduction.

a.   Enter the base selected by the retiree for the survivor annuity. **$8,303.20**

b.   Multiply the base selected by 10 percent to obtain the total survivor reduction.
$8,303.20 X .10 = $830.32

c.   Subtract the total survivor reduction from the annuity with Social Security
reduction to obtain the annual annuity.
$8,303.20 - **$830.32 = $7,472.88**

d.   Divide the annual annuity by 12 and round to the lower dollar to obtain the
monthly annuity.
$7,472.88 ÷ 12 = $622.00

11. Determine the FERS disability benefit payable after the first 12 months.   Enter the
greater of:
-    the FERS earned monthly annuity benefit ($261.00), or
-    the FERS monthly benefit after 40% of the high-3 average salary has been
reduced by 60% of the Social Security disability benefit, and the cost of the
survivor election ($622.00)
$622.00.

PART V: RECOMPUTATION AT AGE 62

12. Compute the unreduced basic annuity projected to age 62.

a.   Enter updated high-3 average salary.
$28,258.00

Note: The high-3 average salary used in the recomputation at age 62 is the high-3
average salary at date of retirement, updated by all **FERS COLA'S** occurring
during the period the annuitant was entitled to FERS disability benefits
(regardless of whether the annuity was affected by COLA's.) Since future
COLA rates are unknown, the high-3 average salary at date of retirement is
used for the recomputation in this example.

b.   Determine the adjusted time base used in the recomputation.

1) Subtract age at retirement (51y 4m 15d) from age 62 (61y 11m 30d) to obtain
the time on the annuity rolls. This time on the annuity rolls will be credited
as projected service.

   61y - 11m - 30d
- 51y - 04m - 15d
   10y - 07m - 15d

2) Add actual FERS service to projected service to determine the total service used for computation purposes. Eliminate any fractional part of a month.

```
   10y - 07m - 15d
 + 12y - 04m - 06d
   22y - 11m - 21d
```

c. Find the retirement factor, using the appropriate FERS accrual factor chart, that corresponds to the total service used in the recomputation.
.252083

Note: The 1.1 percent retirement factor is used in the recomputation at age 62 if total service is 20 years or more.

d. Multiply the high-3 average salary by the retirement factor for the adjusted service to obtain the unreduced FERS basic annuity.
$28,258.00 X .252083 = $7,123.36

13. Compute the monthly annuity payable.

a. Enter the base selected by the retiree for the survivor annuity.
$7,123.36

b. Multiply the base selected by 10 percent to obtain the total survivor reduction.
$7,123.36 X .10 = $712.34

c. Subtract the total survivor reduction from the unreduced basic annuity to obtain the annual annuity.
$7,123.36 - $712.34 = $6,411.02

d. Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly annuity recomputed at age 62.
$6,411.02 ÷ 12 = $534.00

PART VI: SURVIVOR ANNUITY PAYABLE

14. Compute the survivor annuity.

a. Multiply the amount designated as the survivor base by 50 percent.
$7,123.36 X .50 = $3,561.68

b.   Divide the annual survivor rate by 12 and round to the lower dollar to obtain the monthly survivor annuity rate payable.

$3,561.68 ÷ 12 = $296.00

Note: The survivor annuity in this example is computed as if the annuitant died before age 62. Thus, the survivor annuity is based on the same computation shown in Part V, except that the high-3 average salary is updated only for all FERS COLA's occurring prior to the death of the annuitant.

If the disability annuitant dies at or after age 62, the survivor annuity is computed using the same method as would be used in the case of a non-disability annuitant. See Chapter 71, Death Benefits--Death of an Annuitant, for further details.

COMPUTATION OF SERVICE CREDIT

		YR	**MO**	**DY**
NAME: Stephen Innis	**DATE OF RETIREMENT:**	99	12	06
	DATE OF BIRTH:	48	07	22
	AGE:	51	04	15

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**
87-08-01	99-12-06	COVERED	12	04	06
		TOTAL CIVILIAN/MILITARY	12	04	06
		UNUSED SICK LEAVE *	--	--	--
		TOTAL CREDITABLE SERVICE	12	04	06
		TOTAL SERVICE FOR COMPUTATION PURPOSES	12	04	

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

FERS BASIC ANNUITY COMPUTATION DISABILITY

EARNED ANNUITY COMPUTATION

High-3 Average Pay	**$ 28,258**
Retirement Factor (12) yrs. (4) mos. (see section 50C1.1-1, Chart 6)	**X .123333**
Unreduced FERS Basic Annuity	**$ 3,485.14**

Reduction Made for Survivor Annuity
          Base selected by retiree $ 3,485.14
 	
                             X   .10
 	
     Total reduction $ 348.51	

	- 348.51
ANNUAL ANNUITY	**$ 3,136.63**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 261.00**

FERS BASIC ANNUITY COMPUTATION DISABILITY

Benefits Payable in First 12 Months

High-3 Average Pay	**$ 28,258**
Multiply by 60%	**X .60**
FERS Disability Annuity Without Social Security Reduction	**$ 16,954.80**
Less 100% of Social Security Disability Benefit (annual rate)	**- 5,000.00**
FERS Disability Annuity With Social Security Reduction	**$ 11,954.80**

Reduction for Survivor Annuity
    Base selected by retiree $ 11,954.80
               X .10	

Total reduction $ 1,195.48	**- 1,195.48**
Annual Annuity	**$ 10,759.32**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 896.00**

FERS Disability Benefit Payable in First 12 Months
    Enter the greater of:
      !   Monthly FERS Earned Disability Annuity, or
      !   Monthly FERS Disability Annuity With Social Security Reduction
	$ 896.00

FERS BASIC ANNUITY COMPUTATION
DISABILITY

Benefits Payable After the First 12 Months

High-3 Average Pay	$ 28,258
Multiply by 40%	X .40
FERS Disability Annuity Without Social Security Reduction	$ 11,303.20
Less 60% of Social Security Disability Benefit Annual Social Security Benefit ___$5,000.00___ X .60 =	- 3,000.00
FERS Disability Annuity With Social Security Reduction	$ 8,303.20

Reduction for Survivor Annuity
    Base selected by retiree $___8,303.20___
                                X___.10___
 	
    Total reduction $___830.32___
	- 830.32

Annual Annuity	$ 7,472.88
Monthly Annuity (Divide by 12, round down to lower dollar)	$ 622.00

FERS Disability Benefit Payable After the First 12 Months
    Enter the greater of:
        ! Monthly FERS Earned Disability Annuity, or
        ! Monthly FERS Disability Annuity With Social Security Reduction
	$ 622.00

FERS BASIC ANNUITY COMPUTATION

DISABILITY

Recomputation at Age 62

High-3 Average Pay	$ 28,258
Retirement Factor for FERS Service (See section 50C1.1-1, Chart 6 or 7)	
Compute Adjusted Time Base for Recomputation	
YRS - MOS - DYS	
Age 62 = 61 - 11 - 30	
Minus Age at Retirement - 51 - 04 - 15	
Total Time on Annuity Rolls = 10 - 07 - 15	
Plus Total Creditable Service + 12 - 04 - 06	
Adjusted Time Base for Recomputation = 22 - 11 - 21	
Retirement Factor for Adjusted Time Base	**X .252083**
Unreduced FERS Basic Annuity	**$ 7,123.36**
Reduction Made for Survivor Annuity	
Base selected by retiree $ **7,123.36** **X** **.10**	
Total reduction $ **712.34**	**- 712.34**
Annual Annuity	**$ 6,411.02**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 534.00**

FERS BASIC ANNUITY COMPUTATION DISABILITY

Survivor Annuity Computation

Survivor Base Elected
 	
  !   From the **EARNED ANNUITY COMPUTATION** if employee is eligible for an immediate unreduced voluntary retirement at separation, or
 	
  ! From the **RECOMPUTATION AT AGE 62** if employee is not eligible for an immediate unreduced voluntary retirement at separation.	

	$ 7,123.36
Spouse or former spouse entitled to 50% of survivor base	**X .50**
Annual Survivor Annuity	**$ 3,561.68**
Monthly Survivor Annuity (Divide by 12, round down to lower dollar)	**$ 296.00**

Example 10: FERS Disability Retirement -- Transferee With CSRS Component

Name: Lisa Weiss
Last Day of Pay: 4-5-95
Date of Birth: 1-27-58
Civilian Service: 7-28-80 to 12-19-87 -- Covered
CSRS Service
12-20-87 to 4-5-95 -- Covered
FERS Service
High-3 Average Salary: $41,255
Survivor Benefits: Half

PART I: *COMPUTE ACTUAL CREDITABLE SERVICE*

1. Follow the procedures outlined in Chapter 50 to compute the amount of creditable CSRS service and FERS service. In this example, the amount of creditable CSRS service equals **7 years, 4 months, and 22 days**. The amount of creditable FERS service equals **7 years, 3 months, and 16 days**.

PART II: *COMPUTE THE EARNED ANNUITY*

2. Compute the unreduced CSRS component basic annuity.
   a. Enter the high-3 average salary. **$41,255.00**

   b. Enter the years and months of total CSRS service for computation purposes. **7y 4m**

   c. Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 7 years, 4 months service. **.115833**

   d. Multiply the high-3 average salary by the retirement factor to obtain the unreduced CSRS basic annuity.
   $41,255 X .115833 = $4,778.69

3. Compute the reduced CSRS component basic annuity. Subtract 10% of the deposit due for nondeduction performed prior to 10-1-82. In this example, all of the service was covered, so there is no reduction. The CSRS annuity component equals **$4,778.69**

4. Compute the unreduced FERS component basic annuity.
   a. Enter the high-3 average salary. **$41,255.00**

   b. Enter the years and months of total FERS service for computation purposes. **7y 3m**

   c. Use the FERS 1 Percent Accrual Factor Chart (Chart 6, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 7 years, 3 months service. **.072500**

d. Multiply the high-3 average salary by the retirement factor to obtain the unreduced FERS basic annuity component.
$41,255 X .072500 = $2,990.99

5. Compute the combined FERS earned disability annuity. Add the CSRS annuity component to the FERS annuity component.
$2,990.99 + $4,778.69 = $7,769.68

6. Compute the earned annuity monthly benefit.

   a. Enter the base selected by the retiree for the survivor annuity. **$3,884.84**
       ($7,769.68 X 1/2 = $3,884.84)

   b. Multiply the base selected by 10 percent to obtain the total survivor reduction.
       $3,884.84 X .10 = $388.48

   c. Subtract the total survivor reduction from the combined FERS disability annuity to obtain the annual annuity. **$7,769.68** - **$388.48 = $7,381.20**

   d. Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly annuity for the earned benefit.
       $7,381.20 ÷ 12 = $615.00

   Note: The FERS disability earned annuity is not subject to the FERS age reduction.

PART III: ANNUITY PAYABLE FOR FIRST 12 MONTHS

7. Multiply the high-3 average salary by 60 percent to determine the FERS disability annuity without the Social Security reduction.
$41,255 X .60 = $24,753.00

8. Subtract 100 percent of any Social Security disability benefits payable to obtain the FERS Disability Annuity With Social Security Reduction. (In this example, no Social Security benefits are payable.)
$24,753.00 - **$0 = $24,753.00**

9. Compute the monthly FERS disability annuity with Social Security reduction.

   a. Enter the base selected by the retiree for the survivor annuity. **$12,376.50**
       ($24,753.00 X 1/2 = $12,376.50)

   b. Multiply the base selected by 10 percent to obtain the total survivor reduction.
       $12,376.50 X .10 = $1,237.65

   c. Subtract the total survivor reduction from the annuity with Social Security reduction to obtain the annual annuity.
       $24,753.00 - **$1,237.65 = $23,515.35**

d.   Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly annuity.
$23,515.35 ÷ 12 = $1,959.00

10.   Determine the FERS disability benefit payable in the first 12 months.   Enter the greater of:
-   the FERS earned monthly annuity benefit ($615.00), or
-   the FERS monthly benefit after 60% of the high-3 average salary has been reduced by 100% of the Social Security disability benefit, and the cost of the survivor election. ($1,959.00)
$1,959.00.

PART IV: ANNUITY PAYABLE AFTER THE FIRST 12 MONTHS

11.   Multiply the high-3 average salary by 40 percent to determine the FERS disability annuity without the Social Security reduction, beginning the second year of retirement.   **$41,255 X .40 = $16,502.00**

12.   Subtract 60 percent of any Social Security benefits payable.   (In this example, no Social Security benefits are payable.)
$16,502.00 - $0 = $16,502.00

13.   Compute the monthly FERS disability annuity with Social Security reduction.

a.   Enter the base selected by the retiree for the survivor annuity.   **$8,251.00**
($16,502.00 X 1/2 = $8,251.00)

b.   Multiply the base selected by 10 percent to obtain the total survivor reduction.
$8,251.00 X .10 = $825.10

c.   Subtract the total survivor reduction from the annuity with Social Security reduction to obtain the annual annuity.
$16,502.00 - $825.10 = $15,676.90

d.   Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly annuity.
$15,676.90 ÷ 12 = $1,306.00

14.   Determine the FERS disability benefit payable after the first 12 months.   Enter the greater of:
-   the FERS earned monthly annuity benefit ($615.00), or
-   the FERS monthly benefit after 40% of the high-3 average salary has been reduced by 60% of the Social Security disability benefit, and the cost of the survivor election ($1,306.00).
$1,306.00.

PART V: RECOMPUTATION AT AGE 62

15. Compute the CSRS annuity component projected to age 62.

     a. Enter updated high-3 average salary. **$41,255.00**

     Note: The high-3 average salary used in the recomputation at age 62 is the high-3 average salary at date of retirement, updated by all **FERS COLA'S** occurring during the period the annuitant was entitled to FERS disability benefits (regardless of whether the annuity was affected by COLA's.) Since future COLA rates are unknown, the high-3 average salary at date of retirement is used for the recomputation in this example.

     b. Enter the years and months of total CSRS service for computation purposes. **7y 4m**

     c. Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 7 years, 4 months service. **.115833**

     d. Multiply the high-3 average salary by the retirement factor to obtain the unreduced CSRS basic annuity.
$41,255 X .115833 = $4,778.69

     e. Compute the reduced CSRS component basic annuity. Subtract 10% of the deposit due for nondeduction performed prior to 10-1-82. In this example, all of the service was covered, so there is no reduction. The CSRS annuity component projected to age 62 equals **$4,778.69**.

16. Compute the unreduced FERS basic annuity component projected to age 62.

     a. Enter updated high-3 average salary. **$41,255.00**

     Note: The high-3 average salary used in the recomputation at age 62 is the high-3 average salary at date of retirement, updated by all **FERS COLA'S** occurring during the period the annuitant was entitled to FERS disability benefits (regardless of whether the annuity was affected by COLA's.) Since future COLA rates are unknown, the high-3 average salary at date of retirement is used for the recomputation in this example.

     b. Determine the adjusted time base used in the recomputation of the FERS annuity component.

        1) Subtract age at retirement (37y 2m 9d) from age 62 (61y 11m 30d) to obtain the time on the annuity rolls. This time on the annuity rolls will be credited as projected service.

            61y - 11m - 30d
         - <u>37y - 02m - 09d</u>
            24y - 09m - 21d

2) Add actual FERS service to projected service to determine the total service used for computation purposes. Eliminate any fractional part of a month.

$$
\begin{array}{r}
24y - 09m - 21d \\
+ \quad \underline{07y - 03m - 16d} \\
\mathbf{32y} - \mathbf{01m} - 07d
\end{array}
$$

c. Find the retirement factor, using the appropriate FERS accrual factor chart, that corresponds to the total service used in the recomputation.
.352917

Note: The 1.1 percent retirement factor is used in the recomputation at age 62 if total service is 20 years or more.

d. Multiply the high-3 average salary by the retirement factor for the total adjusted service to obtain the unreduced FERS basic annuity component.
$41,255.00 X .352917 = $14,559.59

17. Compute the combined FERS basic annuity at age 62. Add the CSRS annuity component to the FERS annuity component.
$14,559.59 + $4,778.69 = $19,338.28

18. Compute the monthly annuity payable.

a. Enter the base selected by the retiree for the survivor annuity. **$9,669.14**
($19,338.28 X 1/2 = $9,669.14)

b. Multiply the base selected by 10 percent to obtain the total survivor reduction.
$9,669.14 X .10 = $966.91

c. Subtract the total survivor reduction from the unreduced basic annuity to obtain the annual annuity.
$19,338.28 - $966.91 = $18,371.37

d. Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly annuity recomputed at age 62.
$18,371.37 ÷ 12 = $1,530.00

PART VI: SURVIVOR ANNUITY PAYABLE

19.   Compute the survivor annuity.

   a.   Multiply the amount designated as the survivor base by 50 percent.
        $9,669.14 X .50 = $4,834.57

   b.   Divide the annual survivor rate by 12 and round to the lower dollar to obtain the
        monthly survivor annuity rate payable.
        $4,834.57 ÷ 12 = $402.00

Note: The survivor annuity in this example is computed as if the annuitant died
        before age 62. Thus, the survivor annuity is based on the same computation
        shown in Part V, except that the high-3 average salary is updated only for all
        FERS COLA's occurring prior to the death of the annuitant.

        If the disability annuitant dies at or after age 62, the survivor annuity is
        computed using the same method as would be used in the case of a non-
        disability annuitant. See Chapter 71, Death Benefits--Death of an Annuitant,
        for further details.

COMPUTATION OF SERVICE CREDIT

			YR	MO	DY
NAME: Lisa Weiss		**DATE OF RETIREMENT:**	95	4	05
		DATE OF BIRTH:	58	1	27
		AGE:	37	2	09

```
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**
80-07-28	87-12-19	COVERED	7	4	22
TOTAL CIVILIAN/MILITARY			7	4	22
UNUSED SICK LEAVE *					0
TOTAL CREDITABLE SERVICE			7	4	22
TOTAL SERVICE FOR COMPUTATION PURPOSES			7	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.

COMPUTATION OF SERVICE CREDIT

	YR	MO	DY
DATE OF RETIREMENT:			

NAME: <u>Lisa Weiss (continued)</u>

	YR	MO	DY
DATE OF RETIREMENT:			
DATE OF BIRTH:			
AGE:	37	2	9

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**
87-12-20	95-4-5	COVERED	7	3	16
TOTAL CIVILIAN/MILITARY			7	3	16
UNUSED SICK LEAVE *			--	--	--
TOTAL CREDITABLE SERVICE			7	3	16
TOTAL SERVICE FOR COMPUTATION PURPOSES			7	3	

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

FERS BASIC ANNUITY COMPUTATION
DISABILITY

EARNED ANNUITY COMPUTATION
FERS TRANSFEREE WITH CSRS COMPONENT

CSRS COMPONENT COMPUTATION

High-3 Average Pay	**$ 41,255**
Retirement Factor for CSRS Service (7) yrs. (4) mos. (see section 50C1.1-1, Chart 4)	**X .115833**
Unreduced CSRS Basic Annuity	**$ 4,778.69**
Reduction for non-deposit for service prior 10-1-82 (Subtract 10% of deposit due)	**- N/A**
Reduced CSRS Annuity	**$ 4,778.69**

FERS COMPONENT AND COMBINED ANNUITY COMPUTATION

High-3 Average Pay	**$ 41,255**
Retirement Factor for FERS Service (7) yrs. (3) mos. (see section 50C1.1-1, Chart 6)	**X .072500**
Unreduced FERS Basic Annuity	**$ 2,990.99**
Reduced CSRS Annuity	**+ 4,778.69**
FERS Earned Disability Annuity	**$ 7,769.68**
Reduction Made for Survivor Annuity Base selected by retiree $ 3,884.84 X .10	
Total reduction $ 388.48	**- 388.48**
ANNUAL ANNUITY	**$ 7,381.20**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 615.00**

FERS BASIC ANNUITY COMPUTATION DISABILITY

Benefits Payable in First 12 Months

High-3 Average Pay	**$ 41,255**
Multiply by 60%	**X .60**
FERS Disability Annuity Without Social Security Reduction	**$ 24,753.00**
Less 100% of Social Security Disability Benefit (annual rate)	**- 0**
FERS Disability Annuity With Social Security Reduction	**$ 24,753.00**

Reduction for Survivor Annuity
 	
    Base selected by retiree $ 12,376.50
                            X .10	

** Total reduction $ 1,237.65**	**- 1,237.65**
Annual Annuity	**$ 23,515.35**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 1,959.00**

FERS Disability Benefit Payable in First 12 Months
    Enter the greater of:
    !   Monthly FERS Earned Disability Annuity, or
    !   Monthly FERS Disability Annuity With Social Security Reduction
	$ 1,959.00

FERS BASIC ANNUITY COMPUTATION
DISABILITY

Benefits Payable After the First 12 Months

High-3 Average Pay	**$ 41,255**
Multiply by 40%	**X .40**
FERS Disability Annuity Without Social Security Reduction	**$ 16,502.00**
Less 60% of Social Security Disability Benefit	
Annual Social Security Benefit ____0____ X .60 =	**- 0**
FERS Disability Annuity With Social Security Reduction	**$ 16,502.00**

Reduction for Survivor Annuity
      Base selected by retiree $___8,251.00___
      X_____.10____	

Total reduction $___825.10___	**- 825.10**
Annual Annuity	**$ 15,676.90**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 1,306.00**
FERS Disability Benefit Payable After the First 12 Months Enter the greater of:	
! Monthly FERS Earned Disability Annuity, or ! Monthly FERS Disability Annuity With Social Security Reduction	**$ 1,306.00**

FERS BASIC ANNUITY COMPUTATION DISABILITY

Recomputation at Age 62
FERS Transferee With CSRS Component

CSRS COMPONENT COMPUTATION

High-3 Average Pay	**$ 41,255**
Retirement Factor for CSRS Service (7) yrs. (4) mos. (see section 50C1.1-1, Chart 4)	**X .115833**
Unreduced CSRS Basic Annuity	**$ 4,778.69**
Reduction for non-deposit for service prior 10-1-82 (Subtract 10% of deposit due)	**- N/A**
Reduced CSRS Annuity	**$ 4,778.69**

FERS COMPONENT AND COMBINED ANNUITY COMPUTATION

High-3 Average Pay	**$ 41,255**
Retirement Factor for FERS Service (See section 50C1.1-1, Chart 6 or 7) Compute Adjusted Time Base for Recomputation **YRS - MOS - DYS** Age 62 = 61 - 11 - 30 Minus Age at Retirement - 37 - 2 - 9 Total Time on Annuity Rolls = 24 - 9 - 21 Plus Total Creditable Service + 7 - 3 - 16 Adjusted Time Base for Recomputation = 32 - 1 - 7	
Retirement Factor for Adjusted Time Base	**X .352917**
Unreduced FERS Basic Annuity	**$ 14,559.59**
Reduced CSRS Annuity	**$ 4,778.69**
Total Basic Annuity at Age 62	**$ 19,338.28**
Reduction Made for Survivor Annuity **Base selected by retiree** $ 9,669.14 **X** .10 **Total reduction** $ 966.91	**- 966.91**
Annual Annuity	**$ 18,371.37**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 1,530.00**

FERS BASIC ANNUITY COMPUTATION DISABILITY

Survivor Annuity Computation

Survivor Base Elected ! From the **EARNED ANNUITY COMPUTATION** if employee is eligible for an immediate unreduced voluntary retirement at separation, or ! From the **RECOMPUTATION AT AGE 62** if employee is not eligible for an immediate unreduced voluntary retirement at separation.	
	$ 9,669.14
Spouse or former spouse entitled to 50% of survivor base	X .50
Annual Survivor Annuity	$ 4,834.57
Monthly Survivor Annuity (Divide by 12, round down to lower dollar)	$ 402.00

Example 11: FERS Disability Retirement -- Transferee With CSRS Component,
Earned Annuity Payable

Name:	Michael Ruzzi
Last Day of Pay:	9-23-95
Date of Birth:	6-8-43
Civilian Service:	8-8-63 to 12-19-87 -- Covered
	CSRS Service
	12-20-87 to 9-23-95 -- Covered
	FERS Service
High-3 Average Salary:	$53,572
Survivor Benefits:	Full

PART I: COMPUTE ACTUAL CREDITABLE SERVICE

1. Follow the procedures outlined in Chapter 50 to compute the amount of creditable CSRS service and FERS service. In this example, the amount of creditable CSRS service equals **24 years, 4 months, and 12 days**. The amount of creditable FERS service equals **7 years, 9 months, and 4 days**.

PART II: COMPUTE THE EARNED ANNUITY

2. Compute the unreduced CSRS component basic annuity.
   a.   Enter the high-3 average salary.   **$53,572.00**

   b.   Enter the years and months of total CSRS service for computation purposes.
        24y 4m

   c.   Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 24 years, 4 months service.
        .449167

   d.   Multiply the high-3 average salary by the retirement factor to obtain the unreduced CSRS basic annuity.
        $53,572 X .449167 = $24,062.77

3. Compute the reduced CSRS component basic annuity. Subtract 10% of the deposit due for nondeduction performed prior to 10-1-82. In this example, all of the service was covered, so there is no reduction. The CSRS annuity component equals **$24,062.77**

4. Compute the unreduced FERS component basic annuity.
   a.   Enter the high-3 average salary.   **$53,572.00**

   b.   Enter the years and months of total FERS service for computation purposes.
        7y 9m

c.   Use the FERS 1 Percent Accrual Factor Chart (Chart 6, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 7 years, 9 months service. **.077500**

d.   Multiply the high-3 average salary by the retirement factor to obtain the unreduced FERS basic annuity component.
$53,572 X .077500 = $4,151.83

5. Compute the combined FERS earned disability annuity. Add the CSRS annuity component to the FERS annuity component.
$4,151.83 + $24,062.77 = $28,214.60

6. Compute the earned annuity monthly benefit.

a.   Enter the base selected by the retiree for the survivor annuity. **$28,214.60**

b.   Multiply the base selected by 10 percent to obtain the total survivor reduction.
$28,214.60 X .10 = $2,821.46

c.   Subtract the total survivor reduction from the combined FERS disability annuity to obtain the annual annuity. **$28,214.60 - $2,821.46 = $25,393.14**

d.   Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly annuity for the earned benefit.
$25,393.14 ÷ 12 = $2,116.00

Note: The FERS disability earned annuity is not subject to the FERS age reduction.

PART III: ANNUITY PAYABLE FOR FIRST 12 MONTHS

7. Multiply the high-3 average salary by 60 percent to determine the FERS disability annuity without the Social Security reduction.
$53,572 X .60 = $32,143.20

8. Subtract 100 percent of any Social Security disability benefits payable to obtain the FERS Disability Annuity With Social Security Reduction. (In this example, no Social Security benefits are payable.)
$32,143.20 - $0 = $32,143.20

9. Compute the monthly FERS disability annuity with Social Security reduction.

a.   Enter the base selected by the retiree for the survivor annuity. **$32,143.20**

b.   Multiply the base selected by 10 percent to obtain the total survivor reduction.
$32,143.20 X .10 = $3,214.32

c.   Subtract the total survivor reduction from the annuity with Social Security reduction to obtain the annual annuity.
$32,143.20 - $3,214.32 = $28,928.88

d.   Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly annuity.
$28,928.88 ÷ 12 = $2,410.00

10.   Determine the FERS disability benefit payable in the first 12 months.   Enter the greater of:
-    the FERS earned monthly annuity benefit ($2,116.00), or
-    the FERS monthly benefit after 60% of the high-3 average salary has been reduced by 100% of the Social Security disability benefit, and the cost of the survivor election. ($2,410.00)
$2,410.00.

PART IV: ANNUITY PAYABLE AFTER THE FIRST 12 MONTHS

11.   Multiply the high-3 average salary by 40 percent to determine the FERS disability annuity without the Social Security reduction, beginning the second year of retirement.   **$53,572 X .40 = $21,428.80**

12.   Subtract 60 percent of any Social Security benefits payable. (In this example, no Social Security benefits are payable.)
$21,428.80 - $0 = $21,428.80

13.   Compute the monthly FERS disability annuity with Social Security reduction.

a.   Enter the base selected by the retiree for the survivor annuity. **$21,428.80**

b.   Multiply the base selected by 10 percent to obtain the total survivor reduction.
$21,428.80 X .10 = $2,142.88

c.   Subtract the total survivor reduction from the annuity with Social Security reduction to obtain the annual annuity.
$21,428.80 - $2,142.88 = $19,285.92

d.   Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly annuity.
$19,285.92 ÷ 12 = $1,607.00

14.   Determine the FERS disability benefit payable after the first 12 months.   Enter the greater of:
-    the FERS earned monthly annuity benefit ($2,116.00), or
-    the FERS monthly benefit after 40% of the high-3 average salary has been reduced by 60% of the Social Security disability benefit, and the cost of the survivor election ($1,607.00).
$2,116.00.

PART V: RECOMPUTATION AT AGE 62

15.   Compute the CSRS annuity component projected to age 62.

    a.   Enter updated high-3 average salary. **$53,572.00**

    Note: The high-3 average salary used in the recomputation at age 62 is the high-3 average salary at date of retirement, updated by all **FERS COLA'S** occurring during the period the annuitant was entitled to FERS disability benefits (regardless of whether the annuity was affected by COLA's.) Since future COLA rates are unknown, the high-3 average salary at date of retirement is used for the recomputation in this example.

    b.   Enter the years and months of total CSRS service for computation purposes. **24y 4m**

    c.   Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 24 years, 4 months service. **.449167**

    d.   Multiply the high-3 average salary by the retirement factor to obtain the unreduced CSRS basic annuity.
    $53,572 X .449167 = $24,062.77

    e.   Compute the reduced CSRS component basic annuity. Subtract 10% of the deposit due for nondeduction performed prior to 10-1-82. In this example, all of the service was covered, so there is no reduction. The CSRS annuity component projected to age 62 equals **$24,062.77**

16.   Compute the unreduced FERS basic annuity component projected to age 62.

    a.   Enter updated high-3 average salary. **$53,572.00**

    Note: The high-3 average salary used in the recomputation at age 62 is the high-3 average salary at date of retirement, updated by all **FERS COLA'S** occurring during the period the annuitant was entitled to FERS disability benefits (regardless of whether the annuity was affected by COLA's.) Since future COLA rates are unknown, the high-3 average salary at date of retirement is used for the recomputation in this example.

    b.   Determine the adjusted time base used in the recomputation of the FERS annuity component.

    1)   Subtract age at retirement (52y 3m 16d) from age 62 (61y 11m 30d) to obtain the time on the annuity rolls. This time on the annuity rolls will be credited as projected service.

          61y - 11m - 30d
       - 52y - 03m - 16d
          09y - 08m - 14d

    2) Add actual FERS service to projected service to determine the total service used for computation purposes. Eliminate any fractional part of a month.

        09y - 08m - 14d
   + <u>07y - 09m - 04d</u>
        17y - **05m** - 18d

c. Find the retirement factor, using the appropriate FERS accrual factor chart, that corresponds to the total service used in the recomputation.
.191583

    Note: The 1.1 percent retirement factor is used in the recomputation at age 62 if total service (including creditable CSRS component service) is 20 years or more.

d. Multiply the high-3 average salary by the retirement factor for the total adjusted service to obtain the unreduced FERS basic annuity component.
$53,572.00 X .191583 = $10,263.48

17. Compute the combined FERS basic annuity at age 62. Add the CSRS annuity component to the FERS annuity component.
$10,263.48 + $24,062.77 = $34,326.25

18. Compute the monthly annuity payable.

a. Enter the base selected by the retiree for the survivor annuity. **$34,326.25**

b. Multiply the base selected by 10 percent to obtain the total survivor reduction.
$34,326.25 X .10 = $3,432.63

c. Subtract the total survivor reduction from the unreduced basic annuity to obtain the annual annuity.
$34,326.25 - $3,432.63 = $30,893.62

d. Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly annuity recomputed at age 62.
$30,893.62 ÷ 12 = $2,574.00

PART VI: SURVIVOR ANNUITY PAYABLE

14. Compute the survivor annuity.

a. Multiply the amount designated as the survivor base by 50 percent.
$34,326.25 X .50 = $17,163.13

b.   Divide the annual survivor rate by 12 and round to the lower dollar to obtain the monthly survivor annuity rate payable.
$17,163.13 ÷ 12 = $1,430.00

Note: The survivor annuity in this example is computed as if the annuitant died before age 62. Thus, the survivor annuity is based on the same computation shown in Part V, except that the high-3 average salary is updated only for all FERS COLA's occurring prior to the death of the annuitant.

If the disability annuitant dies at or after age 62, the survivor annuity is computed using the same method as would be used in the case of a non-disability annuitant. See Chapter 71, Death Benefits--Death of an Annuitant, for further details.

COMPUTATION OF SERVICE CREDIT

		YR	MO	DY
NAME: Michael Ruzzi	**DATE OF RETIREMENT:**	95	9	23
	DATE OF BIRTH:	43	6	8
	AGE:	52	3	16

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**
63-8-8	87-12-19	COVERED	24	4	12
TOTAL CIVILIAN/MILITARY			24	4	12
UNUSED SICK LEAVE *					0
TOTAL CREDITABLE SERVICE			24	4	12
TOTAL SERVICE FOR COMPUTATION PURPOSES			24	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.

COMPUTATION OF SERVICE CREDIT

	YR	MO	DY

NAME: <u>Michael Ruzzi (cont.)</u>   **DATE OF RETIREMENT:** _____

DATE OF BIRTH: _____

AGE: <u>52</u>   <u>3</u>   <u>16</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
87-12-20	95-9-23	COVERED	7	9	4
		TOTAL CIVILIAN/MILITARY	7	9	4
		UNUSED SICK LEAVE *	--	--	--
		TOTAL CREDITABLE SERVICE	7	9	4
		TOTAL SERVICE FOR COMPUTATION PURPOSES	7	9	

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

FERS BASIC ANNUITY COMPUTATION
DISABILITY

EARNED ANNUITY COMPUTATION
FERS TRANSFEREE WITH CSRS COMPONENT

CSRS COMPONENT COMPUTATION

High-3 Average Pay	**$ 53,572**
Retirement Factor for CSRS Service (24) yrs. (4) mos. (see section 50C1.1-1, Chart 4)	**X .449167**
Unreduced CSRS Basic Annuity	**$ 24,062.77**
Reduction for non-deposit for service prior 10-1-82 (Subtract 10% of deposit due)	**- N/A**
Reduced CSRS Annuity	**$ 24,062.77**

FERS COMPONENT AND COMBINED ANNUITY COMPUTATION

High-3 Average Pay	**$ 53,572**
Retirement Factor for FERS Service (7) yrs. (9) mos. (see section 50C1.1-1, Chart 6)	**X .077500**
Unreduced FERS Basic Annuity	**$ 4,151.83**
Reduced CSRS Annuity	**+ 24,062.77**
FERS Earned Disability Annuity	**$ 28,214.60**

Reduction Made for Survivor Annuity
 	
      Base selected by retire   **$ 28,214.60**
                        X .10	

Total reduction **$ 2,821.46**	**- 2,821.46**
ANNUAL ANNUITY	**$ 25,393.14**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 2,116.00**

FERS BASIC ANNUITY COMPUTATION DISABILITY

Benefits Payable in First 12 Months

High-3 Average Pay	**$ 53,572**
Multiply by 60%	**X .60**
FERS Disability Annuity Without Social Security Reduction	**$ 32,143.20**
Less 100% of Social Security Disability Benefit (annual rate)	**- 0**
FERS Disability Annuity With Social Security Reduction	**$ 32,143.20**
Reduction for Survivor Annuity 　　**Base selected by retiree** $ 32,143.20 　　　　　　　　　　　　X .10 　　**Total reduction** $ 3,214.32	**- 3,214.32**
Annual Annuity	**$ 28,928.88**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 2,410.00**
FERS Disability Benefit Payable in First 12 Months 　Enter the greater of: 　　**!**　Monthly FERS Earned Disability Annuity, or 　　**!**　Monthly FERS Disability Annuity With Social Security Reduction	**$ 2,410.00**

FERS BASIC ANNUITY COMPUTATION
DISABILITY

Benefits Payable After the First 12 Months

High-3 Average Pay	$ 53,572
Multiply by 40%	X .40
FERS Disability Annuity Without Social Security Reduction	$ 21,428.80
Less 60% of Social Security Disability Benefit	
Annual Social Security Benefit 0 X .60 =	- **0**
FERS Disability Annuity With Social Security Reduction	$ 21,428.80
Reduction for Survivor Annuity	
Base selected by retiree $ **21,428.80**	
X **.10**	
Total reduction $ **2,142.88**	- 2,142.88
Annual Annuity	$ 19,285.92
Monthly Annuity (Divide by 12, round down to lower dollar)	$ 1,607.00
FERS Disability Benefit Payable After the First 12 Months	
Enter the greater of:	
! Monthly FERS Earned Disability Annuity, or	
! Monthly FERS Disability Annuity With Social Security Reduction	$ 2,116.00

FERS BASIC ANNUITY COMPUTATION DISABILITY

Recomputation at Age 62
FERS Transferee With CSRS Component

CSRS COMPONENT COMPUTATION

High-3 Average Pay	**$ 53,572**
Retirement Factor for CSRS Service (24) yrs. (4) mos. (see section 50C1.1-1, Chart 4)	**X .449167**
Unreduced CSRS Basic Annuity	**$ 24,062.77**
Reduction for non-deposit for service prior 10-1-82 (Subtract 10% of deposit due)	**- 0**
Reduced CSRS Annuity	**$ 24,062.77**

FERS COMPONENT AND COMBINED ANNUITY COMPUTATION

High-3 Average Pay	**$ 53,572**
Retirement Factor for FERS Service (See section 50C1.1-1, Chart 6 or 7) Compute Adjusted Time Base for Recomputation **YRS - MOS - DYS** Age 62 = 61 - 11 - 30 Minus Age at Retirement - 52 - 3 - 16 Total Time on Annuity Rolls = 9 - 8 - 14 Plus Total Creditable Service + 7 - 9 - 4 Adjusted Time Base for Recomputation = 17 - 5 - 18	
Retirement Factor for Adjusted Time Base	**X .191583**
Unreduced FERS Basic Annuity	**$ 10,263.48**
Reduced CSRS Annuity	**$ 24,062.77**
Total Basic Annuity at Age 62	**$ 34,326.25**
Reduction Made for Survivor Annuity **Base selected by retiree** $ 34,326.25 X .10 **Total reduction** $ 3,432.63	**- 3,432.63**
Annual Annuity	**$ 30,893.62**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 2,574.00**

FERS BASIC ANNUITY COMPUTATION
DISABILITY

Survivor Annuity Computation

Survivor Base Elected ! From the **EARNED ANNUITY COMPUTATION** if employee is eligible for an immediate unreduced voluntary retirement at separation, or ! From the **RECOMPUTATION AT AGE 62** if employee is not eligible for an immediate unreduced voluntary retirement at separation.	
	$ 34,326.25
Spouse or former spouse entitled to 50% of survivor base	**X .50**
Annual Survivor Annuity	**$ 17,163.13**
Monthly Survivor Annuity (Divide by 12, round down to lower dollar)	**$ 1,430.00**

Example 12: FERS Disability Retirement -- Employee is Age 62, Earned Annuity Payable

Name:	Amy Mitchell
Last Day of Pay:	2-15-96
Date of Birth:	8-13-33
Civilian Service:	11-1-91 to 2-15-96 (Covered)
High-3 Average Salary:	$25,352
Survivor Benefits:	None

PART I: COMPUTE ACTUAL CREDITABLE SERVICE

1. Follow the procedures outlined in Chapter 50 to compute the amount of creditable FERS service. In this example, the amount of creditable FERS service is **4 years, 3 months, 15 days.**

PART II: COMPUTE THE EARNED ANNUITY

2. Compute the unreduced FERS basic annuity.
   a. Enter the high-3 average salary.   **$25,352.00**

   b. Enter the years and months of total service for computation purposes.
      4y 3m

   c. Use the FERS 1 Percent Accrual Factor Chart (Chart 6, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 4 years, 3 months service. **.042500**

   d. Multiply the high-3 average salary by the retirement factor to obtain the unreduced FERS basic annuity.
      $25,352 X .042500 = $1,077.46

3. Compute the earned annuity monthly benefit.

   a. Enter the unreduced FERS basic annuity. **$1,077.46**

   Note: In this example, Amy elected a self-only annuity, so her annuity is not reduced to provide survivor benefits.

   b. Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly annuity.
      $1,077.46 ÷ 12 = $89.00

COMPUTATION OF SERVICE CREDIT

	YR	MO	DY
DATE OF RETIREMENT:	96	2	15
DATE OF BIRTH:	33	8	13
AGE:	62	6	3

NAME: Amy Mitchell

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**
91-11-01	96-02-25	COVERED	4	3	15
TOTAL CIVILIAN/MILITARY			4	3	15
UNUSED SICK LEAVE *			--	--	--
TOTAL CREDITABLE SERVICE			4	3	15
TOTAL SERVICE FOR COMPUTATION PURPOSES			4	3	

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

FERS BASIC ANNUITY COMPUTATION DISABILITY

EARNED ANNUITY COMPUTATION

High-3 Average Pay	**$ 25,352**
Retirement Factor (4) yrs. (3) mos. (see section 50C1.1-1, Chart 6)	**X .042500**
Unreduced FERS Basic Annuity	**$ 1,077.46**

Reduction Made for Survivor Annuity
 	
        Base selected by retiree $_____
 	
                X_____**.10**
 	
        Total reduction $_____
	
	- **N/A**

ANNUAL ANNUITY	**$ 1,077.46**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 89.00**

Example 13: FERS Disability Retirement -- Transferee Eligible for Unreduced Voluntary Retirement, Earned Annuity Payable

Name:	Timothy Austin
Last Day of Pay:	10-31-95
Date of Birth:	6-6-39
Civilian Service:	5-5-65 to 8-16-87 -- Covered CSRS Service
	8-17-87 to 10-31-95 -- Covered FERS Service
High-3 Average Salary:	$48,215
Survivor Benefits:	Full

PART I: COMPUTE ACTUAL CREDITABLE SERVICE

1. Follow the procedures outlined in Chapter 50 to compute the amount of creditable CSRS service and FERS service. In this example, the amount of creditable CSRS service equals **22 years, 3 months, and 12 days**. The amount of creditable FERS service equals **8 years, 2 months, and 14 days**.

PART II: COMPUTE THE EARNED ANNUITY

2. Compute the unreduced CSRS component basic annuity.
   a.   Enter the high-3 average salary. **$48,215.00**

   b.   Enter the years and months of total CSRS service for computation purposes. **22y 3m**

   c.   Use the CSRS General Formula Computation Chart (Chart 4, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 22 years, 3 months service. **.407500**

   d.   Multiply the high-3 average salary by the retirement factor to obtain the unreduced CSRS basic annuity.
   $48,215 X .407500 = $19,647.61

3. Compute the reduced CSRS component basic annuity. Subtract 10% of the deposit due for nondeduction performed prior to 10-1-82. In this example, all of the service was covered, so there is no reduction. The CSRS annuity component equals **$19,647.61**.

4. Compute the unreduced FERS component basic annuity.
   a.   Enter the high-3 average salary. **$48,215.00**

   b.   Enter the years and months of total FERS service for computation purposes. **8y 2m**

   c.   Use the FERS 1 Percent Accrual Factor Chart (Chart 6, Handbook Chapter 50, section 50C1.1-1) to obtain the retirement factor for 8 years, 2 months service. **.081667**

    d.   Multiply the high-3 average salary by the retirement factor to obtain the unreduced FERS basic annuity component.
        $48,215 X .081667 = $3,937.57

5. Compute the combined FERS earned disability annuity. Add the CSRS annuity component to the FERS annuity component.
    $3,937.57 + $19,647.61 = $23,585.18

6. Compute the earned annuity monthly benefit.

    a.   Enter the base selected by the retiree for the survivor annuity. **$23,585.18**

    b.   Multiply the base selected by 10 percent to obtain the total survivor reduction.
        $23,585.18 X .10 = $2,358.52

    c.   Subtract the total survivor reduction from the combined FERS disability annuity to obtain the annual annuity. **$23,585.18 - $2,358.52 = $21,226.66**

    d.   Divide the annual annuity by 12 and round to the lower dollar to obtain the monthly annuity for the earned benefit.
        $21,226.66 ÷ 12 = $1,768.00

PART III: SURVIVOR ANNUITY PAYABLE

    7.   Compute the survivor annuity.

    a.   Multiply the amount designated as the survivor base by 50 percent.
        $23,585.18 X .50 = $11,792.59

    b.   Divide the annual survivor rate by 12 and round to the lower dollar to obtain the monthly survivor annuity rate payable.
        $11,792.59 ÷ 12 = $982.00

COMPUTATION OF SERVICE CREDIT

		YR	MO	DY
NAME: Timothy Austin	**DATE OF RETIREMENT:**	95	10	31
	DATE OF BIRTH:	39	6	6
	AGE:	56	4	25

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**
65-05-05	87-08-16	COVERED	22	3	12
TOTAL CIVILIAN/MILITARY			22	3	12
UNUSED SICK LEAVE *					0
TOTAL CREDITABLE SERVICE			22	3	12
TOTAL SERVICE FOR COMPUTATION PURPOSES			22	3	

* 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 SERVICE CREDIT

	YR	MO	DY
NAME: Timothy Austin (cont.) **DATE OF RETIREMENT:**			
DATE OF BIRTH:			
AGE:	56	4	25

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**
87-08-17	95-10-31	COVERED	8	2	14
		TOTAL CIVILIAN/MILITARY	8	2	14
		UNUSED SICK LEAVE *	--	--	--
		TOTAL CREDITABLE SERVICE	8	2	14
		TOTAL SERVICE FOR COMPUTATION PURPOSES	8	2	

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

FERS BASIC ANNUITY COMPUTATION DISABILITY

EARNED ANNUITY COMPUTATION
FERS TRANSFEREE WITH CSRS COMPONENT

CSRS COMPONENT COMPUTATION

High-3 Average Pay	**$ 48,215**
Retirement Factor for CSRS Service (22) yrs. (3) mos. (see section 50C1.1-1, Chart 4)	**X .407500**
Unreduced CSRS Basic Annuity	**$ 19,647.61**
Reduction for non-deposit for service prior 10-1-82 (Subtract 10% of deposit due)	- **N/A**
Reduced CSRS Annuity	**$ 19,647.61**

FERS COMPONENT AND COMBINED ANNUITY COMPUTATION

High-3 Average Pay	**$ 48,215**
Retirement Factor for FERS Service (8) yrs. (2) mos. (see section 50C1.1-1, Chart 6)	**X .081667**
Unreduced FERS Basic Annuity	**$ 3,937.57**
Reduced CSRS Annuity	**+ 19,647.61**
FERS Earned Disability Annuity	**$ 23,585.18**
Reduction Made for Survivor Annuity Base selected by retiree $ 23,585.18 X .10	
Total reduction $ 2,358.52	- **2,358.52**
ANNUAL ANNUITY	**$ 21,226.66**
Monthly Annuity (Divide by 12, round down to lower dollar)	**$ 1,768.00**

FERS BASIC ANNUITY COMPUTATION
DISABILITY

Survivor Annuity Computation

Survivor Base Elected ! From the **EARNED ANNUITY COMPUTATION** if employee is eligible for an immediate unreduced voluntary retirement at separation, or ! From the **RECOMPUTATION AT AGE 62** if employee is not eligible for an immediate unreduced voluntary retirement at separation.	
	$ 23,585.18
Spouse or former spouse entitled to 50% of survivor base	**X .50**
Annual Survivor Annuity	**$ 11,792.59**
Monthly Survivor Annuity (Divide by 12, round down to lower dollar)	**$ 982.00**