

VII. ERRONEOUS FERS COVERAGE EMPLOYEE BELONGS IN SOCIAL SECURITY: ELECTION BETWEEN FERS AND SOCIAL SECURITY

This section is divided into subsections. The titles to the subsections are also the names of the items that are necessary to include in a decision package. This is both a check list for the agency for what to put in the decision package as well as a table of contents for this document.

Have you included this document in the decision package?	Document needed for decision package
	A. Cover Letter
	B. Annuity Estimates and TSP Estimates
	C. Comparison Sheets
	D. FERCCA Fact Sheets
	E. FERCCA Election Form
	F. Preparing for Your Counseling Session

The last subsection is not something you include in the decision package. Section G is for your use. It is a Fact Sheet for you to use to counsel the employee about their FERCCA decision.

Do not include this document in the decision package	G. FERCCA Counseling Fact Sheets for Agency Human Resource Specialists
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A. Cover Letter

What is the Cover Letter?

The cover letter is the first document in the decision package. You will include a cover letter in every decision package regardless of the error type. However, the sample cover letter that follows is just that, a sample. You can change this letter to suit your employee’s and your agency’s needs. The only paragraph required is the last paragraph providing the default information for FERCCA elections.

You should find this letter meets your needs except in the employee contact information section. Your agency may have procedures for contacting employees. If that is the case you’ll want to follow your agency’s procedures.

How do I complete the Cover Letter?

As you read through the sample cover letter you will see more information is needed in order for it to be complete. The numbering on the left is to make it easier to understand the instructions in this section.

Section 1: This section is self explanatory. One item to note is the date. When you read the last paragraph of the cover letter you will see that the employee's right to a waiver of the six month time limit to make their FERCCA election is based on the date of the cover letter.

Section 2: You will find a sentence that says "Within the next 15 business days your agency retirement counselor will contact you..." You can adjust that number to any number that is appropriate for your employee and your agency. You will also need to provide the name of the agency retirement counselor if it is different from the person who signs the letter. If the person signing the letter is the retirement counselor just change this sentence to read "I will contact you..."

Section 3: You enter the work phone and email you have for the employee. If you do not have this information delete this section and ask the employee to provide the agency with their preferred method of contact in the next paragraph in the cover letter. Provide the contact information of the agency retirement counselor who will be assisting the employee in this section.

Section 4: You must provide your agency's name and your agency's address. The address is very important because this is how the employee will provide you with copies of their signed FERCCA election form. Also, if they need to submit a waiver of the six month time limit to make a FERCCA decision they will do it using this address. You may want to provide the employee with your email and fax number as well, in case the employee wants an additional way to send his election back to you.

Section 5: Include the employee's name on the second page either at the top of the page, or at the end, or in both places. Do not forget to include the appropriate enclosures, FERCCA Annuity Estimates, FERCCA Comparison Sheets, FERCCA Fact Sheet, FERCCA Election Form, and Preparing for Your Counseling Session.

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##Insert agency letterhead##

##Date##

1

##name##

##address##

Dear **##name##**:

Previously, we notified you that a review of your official personnel records showed a retirement coverage error. We found you were erroneously placed in the Federal Employees Retirement System (FERS) when you should have been placed in Social Security. As a result of this error, you are being given an opportunity to choose between FERS or Social Security retirement plans as provided for in the Federal Erroneous Retirement Coverage Correction Act (FERCCA) legislation and Office of Personnel Management (OPM) regulations.

- 2 The material in the enclosed election summary package is designed to help you make an informed choice about which option to elect. For example, the package includes a comparison of your retirement benefits calculated under each option as well as a comparison of your Thrift Savings Plan (TSP) benefits under the two options. Also included are the assumptions we used in preparing these estimates.

We ask that you review the material in this package carefully before making a decision. Within the next 15 business days, **##your agency retirement counselor##** will contact you by telephone to confirm that you have received and reviewed the package and answer any questions you may have about your election options. The counselor is prepared to assist you in making a decision but will not advise you on which option to choose.

- 3 The contact information we have on file for you is:

Work Phone:

##Work Phone##

Work email:

##Work email##

If our information is not current, a counselor will not be able to contact you to assist

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you in this process. Please forward your correct contact information to **##email and phone number of counselor who will provide assistance##**.

- 4** Your election is irrevocable once it is received by **##your agency name##**. Once you have received sufficient information to make an informed decision, please complete the applicable forms and return them as soon as possible to:

##your agency's mailing address goes here and/or email and/or fax##

You will have six months from the date of this letter to elect your coverage option. If you fail to make an election before the time limit has expired, your default retirement coverage will be FERS. We can waive the time limit for making an election if you request such a waiver in writing. We would have to determine that you exercised due diligence, but could not make an election within the time limit because of circumstances beyond your control. These circumstances need to be well documented. In six months if you need to request a waiver please submit it in writing with any supporting documentation to the address provided above.

Sincerely,

5

##Your name and contact information##

Name: **##Employee's name##**

Enclosures:

Retirement System Annuity Estimates
Retirement System Comparison Sheets
FERCCA Fact Sheet
FERCCA Election Form
Preparing for Your Counseling Session

B. Annuity Estimates and Thrift Savings Plan Estimates

Annuity Estimates

Prepare the annuity estimates as you normally would. It is important to include a service history in the estimate for the employee so that they can understand where the FERCCA error occurred. The employee's Social Security estimate will not have a FERCCA actuarial reduction, however if the employee later acquires CSRS or CSRS Offset coverage they may be eligible for the FERCCA actuarial reduction. The employee's FERS service may be eligible for the FERCCA actuarial reduction if they have a CSRS component. FERCCA actuarial reduction calculations may already be included in your estimates if your calculator provides them. Provide the employee with the completed comparison sheets or you can provide the actual estimates to the employee if you choose to or if they request it.

Thrift Savings Plan (TSP) Estimates

You will not have to provide any TSP estimates for this error type. The TSP estimates for FERS will need to reflect the employee's current balance. The TSP for Social Security only will also only show the employee current balance. Any contributions the employee may have already made to the TSP and their earnings will remain in their account. However, the employee will not be allowed to continue to participate in TSP if he or she chooses Social Security only.

C. Retirement System Comparison Sheets

What are the Retirement System Comparisons Sheets?

The Retirement System Comparison Sheets have been designed so the employee can compare at a glance the pertinent parts of their annuity estimates rather than have them decipher the annuity estimates for themselves. If you do two annuity estimates for an error type, one showing deposits and redeposit paid, and one without the deposits and redeposits paid the employee would have a lot of annuity estimates to try and understand. Employees may have difficulty figuring out their annuity estimates since these are documents they do not normally have to interpret. This is why the Retirement System Comparison Sheets have been designed. You can use these sheets as part of the decision package and attach the annuity estimates so the employee can look at them if they need to.

How do I complete the Retirement System Comparison Sheets?

Use the annuity estimates you prepared and the instructions provided in this section to prepare the Retirement System Comparison Sheets.

On the following pages are two Retirement System Comparison Sheets, one sheet compares the employee's annuity amounts with deposits and/or redeposits not paid; the other one compares the employee's annuity amounts with the deposits and/or redeposits paid.

The chart below provides instructions on how to complete the comparison sheet with deposits and redeposits not paid:

	If employee elects Social Security	If employee elects FERS
Annuity Commencing Date	Use the first date the employee is eligible for a Social Security benefit. If they are not eligible until 62 then write "not eligible until 62".	Use the first date that the employee is eligible for a retirement benefit
Age at retirement	The employee may not be eligible for Social Security benefits when they are first eligible for retirement benefits.	Use the age the employee is first eligible for a retirement benefit.
Annuity at Retirement with FERCCA Actuarial Reduction for unpaid	Use the gross monthly annuity amount from the annuity estimate if there is one.	Use the gross monthly annuity amount from the annuity estimate.

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<p>deposits and/or redeposits</p> <p>Eligibility for Actuarial reduction</p> <p>How the annuity is reduced for the actuarial reduction</p>	<p>Employee will not be eligible for the actuarial reduction for any deposits or redeposits.</p>	<p>Not eligible for Actuarial reduction unless the employee has a CSRS component. Put “N/A” in this section of the Comparison sheet if the employee is straight FERS. For more information concerning when to apply the actuarial reduction see CFR 839.1113 - 839.1119.</p> <p>If the employee has a CSRS component then:</p> <p>Gross monthly annuity amount with no reductions for deposits or redeposits - Actuarial reduction amount <hr/> = Annuity at retirement with FERCCA actuarial reduction for unpaid deposits or redeposits</p>
<p>Actuarial Reduction Amount</p>	<p>N/A</p>	<p>The calculator you use to provide annuity estimates may automatically reduce for the FERCCA actuarial reduction. If it does not, use the following formula:</p> <p>Deposit or redeposit amount with interest / (divide by) present value factor for retirees age at retirement = actuarial reduction amount (rounded up to the nearest dollar amount)</p> <p>Note: Present Value Factors can be obtained in Appendix A.</p>
<p>Survivor Benefits</p>	<p>Use figures from annuity estimates</p>	<p>Use figures from annuity estimates</p>

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Annuity Supplement	N/A	Use figures from annuity estimate
TSP	If employee elects Social Security the agency automatic and matching contributions need to be removed from the employee's account.	If the employee elects FERS the employee's current TSP balance will not change.
Benefits at age 62		
Projected annuity at Age 62	Project the Social Security benefit to age 62 or use that gross monthly annuity amount from the Social Security statement.	Project the annuity to age 62 and use that gross monthly annuity amount from the annuity estimate.
Annuity Supplement	N/A	Annuity supplement stops at age 62.
Offset Reduction usually begins at age 62	Use figures from annuity estimate	N/A
SSA benefit at age 62	Provide an estimate or use the amount on the Social Security statement.	Make sure the figures from annuity estimate reflect the Windfall Elimination Provision if it applies. The employee's SSA statement will not reflect the Windfall Elimination Provision. See Section G "FERCCA counseling Fact sheet for Human Resource Specialists" for more information on Social Security.

Retirement System Comparison Sheets Deposits and/or Redeposits paid

The comparison sheet with deposits and/or redeposits paid is very similar to the comparison sheet deposits and/or redeposits not paid except there is no actuarial reduction section and you will now put the total deposit and/or redeposit owed. You can break up the deposits and/or redeposits to show pre and post 10-1-1982 deposits or pre and post 3-1-1991 redeposits if you prefer.

Retirement System Comparison Sheet
In FERS belongs in Social Security
Choice between FERS and Social Security
Deposits and/or Redeposits Not Paid

[Name]

Current Benefits without deposits and/or redeposits paid:

	If I Elect Social Security	If I Elect FERS
Annuity Commencing Date	Month xx, xxxx	Month xx, xxxx
Age at Retirement	xx	xx
Annuity at Retirement with FERCCA Actuarial Reduction for unpaid deposits and/or redeposits	N/A	\$x,xxx.00/month
Actuarial Reduction amount	N/A	\$xxx.00/month or N/A
Survivor Benefit	\$xxx.00/month or N/A	\$xxx.00/month or N/A
Annuity Supplement	N/A	\$x,xxx.00/month or N/A
TSP	(##Provide TSP Balance with agency contributions removed##)	(##Provide Current TSP Balance##)

Benefits at Age 62:

	If I Elect Social Security	If I Elect FERS
Projected Annuity at Age 62	\$x,xxx.00/month	\$x,xxx.00/month
Annuity Supplement	N/A	N/A
SSA Benefit	\$x,xxx.00/month or N/A	\$x,xxx.00/month or N/A

Retirement System Comparison Sheet
In FERS belongs in Social Security
Choice between FERS and Social Security
Deposits and/or Redeposits Paid

[Name]

Current Benefits with deposits and/or redeposits paid:

	If I Elect Social Security	If I Elect FERS
Annuity Commencing Date	Month xx, xxxx	Month xx, xxxx
Deposit and/or Redeposit amounts		
Age at Retirement	xx	xx
Annuity at Retirement	\$x,xxx.00/month	\$x,xxx.00/month
Survivor Benefit	\$xxx.00/month or N/A	\$xxx.00/month or N/A
Annuity Supplement	N/A	\$x,xxx.00/month or N/A
TSP	(##Provide TSP Balance with agency contributions removed##)	(##Provide Current TSP Balance##)

Benefits at Age 62:

	If I Elect Social Security	If I Elect FERS
Projected Annuity at Age 62	\$x,xxx.00/month	\$x,xxx.00/month
Annuity Supplement	N/A	N/A
SSA Benefit	\$x,xxx.00/month or N/A	\$x,xxx.00/month or N/A

D. FERCCA Fact Sheets

The following fact sheet compares the major points of consideration for an employee making a decision between Social Security and FERS.

FERCCA FACT SHEET

	<i>Social Security</i>	<i>FERS</i>																																				
Annuity Benefits	<p>Social Security provides a single monthly benefit if you retire, become disabled or die. It is not intended to be the only source of retirement income and thus, as a general rule, pays lower monthly benefits to employees and survivors than Social Security retirement.</p> <p>Usually you can qualify for Social Security benefits if you have at least 10 years of paying Social Security taxes and have therefore acquired the needed 40 credits.</p> <p>Full retirement age is based on your year of birth, for example if you were born in 1960 or later your full retirement age is 67, if you were born in 1937 or earlier your full retirement age is 65. If you were born somewhere in between 1937 and 1960 then your full retirement varies depending on your year of birth. Everyone can retire at age 62 but their Social Security benefits will be permanently reduced based on the number of months they receive checks before reaching their full retirement age.</p> <p>Each year, Social Security annuities are adjusted by cost of living increases that match the Consumer Price Index (CPI).</p>	<p>FERS provides a basic retirement benefit and a Social Security benefit, disability and survivor benefits. The basic benefit for a regular voluntary retirement is 1% of the high-three average salary times the total years of creditable Federal service. Depending on the type of retirement you are eligible for you may receive an annuity supplement until you reach age 62. The supplement approximates the Social Security benefits you earned while working for the Government.</p> <p>The FERS Minimum Retirement Age (MRA) is based on your year of birth.</p> <table border="1"> <thead> <tr> <th>If you were born:</th> <th>Your MRA is:</th> </tr> </thead> <tbody> <tr> <td>Before 1948</td> <td>55</td> </tr> <tr> <td>1948</td> <td>55 and 2 months</td> </tr> <tr> <td>1949</td> <td>55 and 4 months</td> </tr> <tr> <td>1950</td> <td>55 and 6 months</td> </tr> <tr> <td>1951</td> <td>55 and 8 months</td> </tr> <tr> <td>1952</td> <td>55 and 10 months</td> </tr> <tr> <td>1953 to 1964</td> <td>56</td> </tr> <tr> <td>1965</td> <td>56 and 2 months</td> </tr> <tr> <td>1966</td> <td>56 and 4 months</td> </tr> <tr> <td>1967</td> <td>56 and 6 months</td> </tr> <tr> <td>1968</td> <td>56 and 8 months</td> </tr> <tr> <td>1969</td> <td>56 and 10 months</td> </tr> <tr> <td>1970 and after</td> <td>57</td> </tr> </tbody> </table> <p>Annuities are adjusted by a cost of living adjustment (COLA) annually, based on the Consumer Price Index usually at age 62.</p> <table border="1"> <thead> <tr> <th>Increase in CPI</th> <th>Annual COLA Percentage</th> </tr> </thead> <tbody> <tr> <td>Up to 2%</td> <td>Same as CPI increase</td> </tr> <tr> <td>2% to 3%</td> <td>2%</td> </tr> <tr> <td>3% or more</td> <td>CPI increase minus 1%</td> </tr> </tbody> </table>	If you were born:	Your MRA is:	Before 1948	55	1948	55 and 2 months	1949	55 and 4 months	1950	55 and 6 months	1951	55 and 8 months	1952	55 and 10 months	1953 to 1964	56	1965	56 and 2 months	1966	56 and 4 months	1967	56 and 6 months	1968	56 and 8 months	1969	56 and 10 months	1970 and after	57	Increase in CPI	Annual COLA Percentage	Up to 2%	Same as CPI increase	2% to 3%	2%	3% or more	CPI increase minus 1%
If you were born:	Your MRA is:																																					
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	<i>Social Security</i>	<i>FERS</i>
Thrift Savings Plan (TSP)	If you elect Social Security coverage, any contributions that you may have already made to the TSP and their earnings will remain in your account. You will not be allowed to continue to participate. Also, all Government contributions (Agency Automatic 1% and matching contributions), and their earnings, will be removed from your TSP account.	If you elect to retain FERS coverage, your opportunity to participate in the TSP will not change.
Social Security	You will have Social Security coverage regardless of your election and the normal rules concerning the Windfall Elimination provision may apply to your Social Security benefit.	You will have Social Security coverage regardless of your election and the normal rules concerning the Windfall Elimination provision may apply to your Social Security benefit.
Credit for civilian or military deposit service	FERCCA offers a variety of options for crediting service for which a deposit or redeposit has been paid, partially paid or remains unpaid. Options for individual cases depend on a number of factors. Your comparison computations will include your options and your Human Resource office is prepared to discuss these with you.	

E. FERCCA Election Form

The FERCCA election form must be used for FERCCA elections. All FERCCA elections can be made using form RI 10-125.

Please fill in the “Retirement Plan Name” that the employee can choose from in section 5 of RI 10-125.

F. Preparing for your Counseling Session (for employees)

On the following page is an information sheet that can be included in the decision package so the employee can prepare for his or her FERCCA counseling session. This information sheet was created to assist the employee in thinking about what to ask the Human Resource Specialist during their initial FERCCA counseling session. The counseling session is explained in the FERCCA cover letter.

F. Preparing for your Counseling Session

For employee in FERS who should be Social Security

Before the counselor calls, you should carefully read all the material in the package and check to ensure all of the information is correct.

- Review your name, address, social security number, etc. for accuracy.
- Review the service history in your annuity estimate for accuracy.
- Review the information about any civilian or military deposits.
- If any data is incorrect, please inform your human resource specialist

Consider the following to prepare for your FERCCA counseling session:

- 1. Do I plan to retire from the Federal Government?** FERS allows more flexibility for those who move in and out of Federal service.
- 2. When do I plan to retire?** Do you plan to acquire Federal retirement coverage in the future?
- 3. How much can I contribute to the Thrift Savings Plan (TSP)?** Your ability to contribute to TSP is a major factor in deciding which retirement plan is best for you. FERS has agency contributions and Social Security does not.
- 4. If I have not already made deposits, do I plan to make deposits for military and/or civilian temporary service?** Payment of deposits and redeposits may determine if that service can be used in your annuity calculation or whether your annuity computation is reduced to account for the non-payment.

G. FERCCA Counseling Fact Sheets for agency Human Resource Specialists

Counseling someone on a FERCCA decision is very similar to ordinary retirement counseling. There are three areas where FERCCA counseling is very different from the type of retirement counseling you normally do. The areas where there are differences are:

1. FERCCA actuarial reduction on military and civilian deposits and civilian redeposits
2. TSP considerations
3. Making the election or understanding the default election

Otherwise you are comparing the two systems the employee is making a decision between. You need to emphasize the difference between the systems such as the age requirements for retirement, how cost of living adjustments are different between the two systems and other major differences.

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	Social Security Counseling Points
Annuity	<p>Review the comparison sheet or annuity estimates with the employee. You can either ask the employee to bring in their annual Social Security statement or you can use the retirement calculator you have available to you to make Social Security estimates. Most retirement calculators require the Social Security earnings to do a Social Security estimate. The Social Security earnings can be obtained from the employee’s Social Security statement. In most cases you will need the employee to provide you with a copy of their Social Security statement in order to provide them with any estimates on their Social Security benefits.</p> <p>Employee’s who are in FERS but belong in Social Security sometimes have more to consider then just deciding between Social Security and FERS. Generally what they are considering is a choice between FERS and Social Security during the beginning of their error but if they subsequently receive an appointment that is not excluded by CSRS they may really be choosing between FERS and CSRS Offset. Because if they chose FERS for their initial error then they will be in FERS regardless of what appointments they have received or will receive after they chose FERS but if they chose Social Security only and qualify for CSRS Offset they may be able to be CSRS Offset. If the employee is in this situation then you need to provide the employee information in this BAL for employee’s who is in FERS and should be in CSRS Offset so they can think about that decision as well as their choice between FERS and Social Security.</p>
Age and service requirements	<p>The employee needs to know FERS and Social Security have different retirement ages. Most people are eligible for a reduced Social Security benefit at age 62 and a full social security benefit at their full retirement age. The Social Security full retirement age is based on the employee’s date of birth. Check the employee’s annual Social Security statement or the Social Security website (www.ssa.gov) for more information on Social Security benefits.</p>
COLAs	<p>Each year Social Security Annuities are adjusted for cost of living increases. See the Social Security website for more information.</p>
Survivor Benefits	<p>There are survivor benefits under Social Security but the rules are very different from FERS. A living spouse may be entitled to a</p>

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	<p>spousal benefit under Social Security but if a spouse works and earns their own Social Security they may only receive their own Social Security benefit and never be entitled to a spousal or widow or widower benefit. The employee needs to understand their own Social Security statement as well as their spouses in order to make an informed decision.</p>
TSP	<p>If employee is currently in FERS and elects Social Security coverage, any contributions that you may have already made to the TSP and their earnings will remain in their account. However, you will not be allowed to continue to participate and their agency and matching contributions will be removed from their account.</p>
SSA	<p>Employees who do not receive an annuity under FERS are not impacted by the Windfall Elimination Provision (WEP).</p>
Election	<p>All employees who are in FERS and should be in Social Security must make a choice between FERS and Social Security. They must make this choice using the FERCCA election form RI10-125. Other election forms, such as a FERS election form should not used.</p>
Default	<p>If the employee does not make a FERCCA election within 6 months of your providing them with the FERCCA election package the employee must be placed in their FERCCA default election which is FERS.</p>
Correction Process	<p>BAL 05-103 “Retirement Coverage Error Correction: Correction of Errors that Provide an Election” discusses what actions the agencies must make to correct an error. You will need to use this BAL to answer any questions the employee may have on how his error will be corrected. The correction process should not impact the employee’s decision to make a retirement coverage choice. None of the corrections will negatively impact the employee.</p>

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	FERS Counseling points
Annuity	<p>Review the comparison sheet or annuity estimates with the employee</p> <p>Be sure to include information on the FERS annuity supplement. Make sure the employee understands when the supplement will start. The start date depends on which type of retirement they chose early optional, regular optional etc. There is no FERS annuity supplement for disability or Minimum Retirement Age (MRA) +10 retirements. All FERS annuity supplements stop when the employee turns age 62 regardless of whether the employee chooses to receive Social Security at 62 or not. The FERS annuity supplement is subject to an earnings test. There is more information on the FERS annuity supplement in Chapter 51 of the CSRS and FERS Handbook for Personnel and Payroll Offices.</p> <p>Employee's who are in FERS but belong in Social Security sometimes have more to consider than just deciding between Social Security and FERS. Generally what they are considering is a choice between FERS and Social Security during the beginning of their error but if they subsequently receive an appointment that is not excluded by CSRS they may really be choosing between FERS and CSRS Offset. Because if they chose FERS for their initial error then they will be in FERS regardless of what appointments they have received or will receive after they chose FERS but if they chose Social Security only and qualify for CSRS Offset they may be able to be CSRS Offset. If the employee is in this situation then you need to provide the employee information in this BAL for employee's who is in FERS and should be in CSRS Offset so they can think about that decision as well as their choice between FERS and Social Security.</p>
Age and service requirements	<p>The employee needs to understand the retirement age for a voluntary retirement is different under FERS than Social Security. If the employee is interested in a different type of retirement make sure they understand the eligibility requirements for that retirement i.e. disability, law enforcement, etc. The other major difference between FERS and Social Security is the MRA +10 retirement. This type of retirement is not available under Social Security.</p>

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	Eligibility requirements are explained in Chapters 40 through 46 of the CSRS and FERS Handbook for Personnel and Payroll Offices.
Unused Sick Leave Credit	Make sure the employee knows that 50% of the unused sick leave balance can be credited under FERS effective 10-28-09 and 100% of the sick leave will be credited in the computation effective 1-1-14. Unused sick leave is explained in Chapter 20 of the CSRS and FERS Handbook for Personnel and Payroll Offices.
COLAs	The employee needs to understand that they will not receive a full COLA under FERS and in most cases the COLA will not start until the employee turns 62. COLA's are explained in Chapter 2 of the CSRS and FERS Handbook for Personnel and Payroll Offices.
Survivor Benefits	The employee should know that they can only elect no survivor election, or, a survivor benefits equal to 25% or 50% of their self only rate. No other survivor election options are available to the employee for survivor elections. Survivor elections are covered in Chapter 2 of the CSRS and FERS Handbook for Personnel and Payroll Offices.
Military Deposit	If the employee elects FERS they will have to pay their post 1956 military deposit to receive credit for that service. There is no FERCCA actuarial reduction for employees who elect FERS. The rules for military service deposits are explained in Chapter 22 and 23 of the CSRS and FERS Handbook for Personnel and Payroll Offices.
Deposits and Redeposits	If the employee elects FERS they will not be eligible for the FERCCA actuarial reduction unless they have a CSRS component. The rules for civilian deposits and redeposits are explained in Chapter 21 of the CSRS and FERS Handbook for Personnel and Payroll Offices.
TSP	Since the employee is currently in FERS if they elect FERS their TSP balance will not change.
SSA	<p>Employees who do not have a CSRS component in their FERS annuity are not impacted by the Windfall Elimination Provision (WEP).</p> <p>Employees who receive Social Security and FERS annuities with a CSRS component may be impacted by the WEP. This means that their Social Security benefits may be reduced. However, years of</p>

BAL 10-104: Appendix VII: Erroneous FERS Coverage Employee Belongs in Social Security: Election Between FERS and Social Security Only

	<p>substantial earnings under Social Security reduce the impact of WEP. If the employee have at least 30 years of substantial Social Security earnings the WEP is eliminated. The employee is covered by Social Security the smaller the reduction from the WEP is. The Social Security Administration has a factsheet on the WEP available on their website in their publications section at www.SSA.gov. The publication is called “Windfall Elimination Provision” and the publication number is 05-10045.</p> <p>The Government Pension Offset (GPO) is a Social Security reduction that can affect recipients of Social Security widow or widowers benefits. FERS retirees are not impacted by the GPO. For more information about the GPO see the Social Security publication “Government Pension Offset” and the publication number is 05-10007, which is available on the Social Security website, www.SSA.gov.</p>
Election	<p>All employees who are in FERS and should be in Social Security must make a choice between FERS and Social Security. They must make this choice using the FERCCA election form RI10-125. Other election forms, such as a FERS election form should not be used.</p>
Default	<p>If the employee does not make a FERCCA election with in 6 months of your providing them with the FERCCA election package the employee must be placed in their FERRCA default election which is FERS.</p>
Correction Process	<p>BAL 05-103 “Retirement Coverage Error Correction: Correction of Errors that Provide an Election” discusses what actions the agencies must make to correct an error. You will need to use this BAL to answer any questions the employee may have on how his error will be corrected. The correction process should not impact the employee’s decision to make a retirement coverage choice. None of the corrections will negatively impact the employee.</p>