



FERS ANNUITY SUPPLEMENT

November 2012



FERS Annuity Supplement

If you are a FERS employee considering retirement you may be eligible for something called a “FERS Annuity Supplement”

APWU FERS employees who take advantage of the current Voluntary Early Retirement and Special Incentive offer are also eligible for the FERS Annuity Supplement



FERS Annuity Supplement

Who is Eligible

You may be eligible for the supplement if you retire:

- At your Minimum Retirement Age (MRA) with 30 years of service. MRA is from age 55 to 57 based on your year of birth
 - At age 60 with 20 years of service
 - If you retire under a Voluntary Early Retirement (VER) before reaching your MRA (age 55 to 57), this supplement begins upon reaching your MRA
 - If you are age 62 or older at retirement, the FERS supplement does not apply to you
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FERS Annuity Supplement

Basic Facts

- If you qualify, the FERS Annuity Supplement is paid each month, until you reach age 62, and is in addition to your FERS monthly annuity
- This supplement is calculated using the social security benefit earned while you were employed under FERS with the Postal Service and other Federal agencies
- The supplement is prorated based on your years of FERS service divided by 40 years, which OPM defines as a “full career”



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How to estimate the FERS Supplement Amount

		Example
Step 1.	Estimate full SSA benefit at age 62 (from page 2 of the Social Security Statement that is mailed to you by SSA)	\$1,000/month
Step 2.	Determine total civilian years under FERS (rounded to nearest full year)	30 years
Step 3.	Divide years of service (30) by a factor of 40	75 percent
Step 4.	Multiply the SSA Benefit (step 1) by factor (step 3)	\$750/month



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Changes in FERS Supplement Amount

- You can earn wages and continue to receive your FERS supplement if you do not exceed the earnings limit established by Social Security Administration
- The earnings limit amount for Calendar Year 2013 is \$15,120
- If you exceed the earnings limit, the FERS supplement will be reduced by \$1.00 for every \$2.00 over the limit
- Your monthly FERS annuity and any USPS incentive payments are excluded from the earnings limit
- All other earnings, including self-employment earnings, are subject to the limit



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Myths about the FERS Supplement

- Does the FERS annuity supplement reduce my Social Security Benefit?

It has no effect on your Social Security benefit. The FERS annuity supplement is paid by the Office of Personnel Management (OPM), a separate agency

- If I am receiving the FERS Supplement, do I have to draw my Social Security Benefit at age 62 when it stops?

No. The FERS supplement ends at age 62 whether or not you apply or receive benefits from SSA



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Additional Information

- Where can I find more information about the FERS Supplement?

Additional information can be found at
https://liteblue.usps.gov/humanresources/retirement/ver/pdf/hrssc_vera_qa.pdf VER FAQs
questions 18-24