This document contains highlights of the Federal Employees Retirement System (FERS). It is not intended to provide a detailed explanation of all the plan provisions or exceptions. The information is based on the April information available at the time. Additional information is available at www.opm.gov, www.tsp.gov and www.ssa.gov
**Introduction**

Most people look forward to retirement as a rewarding time. But, a rewarding retirement doesn’t just happen. It takes careful planning. Knowing when you can retire and understanding your Federal retirement benefits are an important part of the planning process. Your future financial security depends, in part, on the decisions you make today.

The Federal Employees Retirement System (FERS) covers most new, non-temporary employees hired on or after January 1, 1984. FERS is a retirement system that is responsive to the employee’s needs and decisions. Many of its features are “portable,” so if you leave Federal employment, you may still qualify for the benefits. FERS enables you to take an active role in securing your future. Therefore, it is important for you to understand the features and benefits of the retirement program, so you can make wise financially sound decisions now in preparation for your retirement. This booklet highlights the main features of the Federal Employees Retirement System (FERS).

The US Department of Agriculture (USDA) provides you with a Personal Benefit Statement highlighting your employee benefits coverage and costs. The benefits statement is located on the Employee Personal Page (EPP) and is updated annually. This is an excellent document to keep with your will or to take with you to your personal financial planner as a planning tool for the future.

**Components of your Retirement**

FERS is a three-tiered retirement system, providing retirement income from three separate sources. The three components are:

- FERS Basic Annuity
- Thrift Savings Program (TSP)
- Social Security Benefits

These three components work together to provide you a strong financial foundation for your retirement years.
FERS Basic Annuity Plan

Coverage under the FERS basic annuity plan is determined by when and how you were hired. New employees first hired in permanent or TERM positions on or after January 1, 1984 are covered under the FERS retirement system.

You should verify your retirement coverage by reviewing your Personal Benefits Statement on EPP, reviewing your Earnings and Leave Statement, or reviewing your Notification of Personnel Action, Standard Form (SF) 50, block 30. You can locate the SF-50 form in your electronic Official Personal Folder (eOPF). If you have any questions about how to locate and review your eOPF, contact your servicing HR office.

In Block 30 of the SF-50 the following retirement codes indicate a FERS retirement plan:

Potential FERS Retirement Plans

- K – FERS and FICA (Federal Insurance Contributions Act (Social Security))
- KR – FERS-RAE (Revised Annuity Employees) and FICA
- KF – FERS-FRAE (Further Revised Annuity Employees) and FICA
- M – FERS and FICA – Special (for Firefighter and Law Enforcement Officers)
- MR – FERS-RAE and FICA – Special (for Firefighter and Law Enforcement Officers)
- MF – FERS-FRAE and FICA – Special (for Firefighter and Law Enforcement Officers)

Sample of center section of SF-50:

Why are there so many different retirement codes for FERS? The different retirement codes indicate different payroll deduction percentage amounts. The difference is determined by when you were hired and the type of position you were hired into. For example, firefighters and law enforcement officers must pay a .5% higher contribution towards retirement because they can retire earlier than most employees and have a mandatory retirement age of 57. In addition, in 2013 and 2014 Congress increased the retirement contribution percentages for new employees. This also resulted in new retirement codes for the different contribution rates.
## FERS Contribution Rates:

<table>
<thead>
<tr>
<th>Category</th>
<th>Retirement Code</th>
<th>Employee Contribution</th>
<th>Agency Contribution</th>
<th>Applicable Hire Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>FERS Regular Employees</td>
<td>K</td>
<td>.8%</td>
<td>11.9%</td>
<td>1984-2012</td>
</tr>
<tr>
<td>FERS-Special Firefighters &amp; Law Enforcement Officers</td>
<td>M</td>
<td>1.3%</td>
<td>26.3%</td>
<td>1984-2012</td>
</tr>
<tr>
<td>FERS-RAE Regular Employees</td>
<td>KR</td>
<td>3.1%</td>
<td>9.6%</td>
<td>2013</td>
</tr>
<tr>
<td>FERS-RAE - Special Firefighters &amp; Law Enforcement Officers</td>
<td>MR</td>
<td>3.6%</td>
<td>24%</td>
<td>2013</td>
</tr>
<tr>
<td>FERS-FRAE Regular Employees</td>
<td>KF</td>
<td>4.4%</td>
<td>9.6%</td>
<td>2014 – present</td>
</tr>
<tr>
<td>FERS-FRAE - Special Firefighters &amp; Law Enforcement Officers</td>
<td>MF</td>
<td>4.9%</td>
<td>22.7%</td>
<td>2014 - present</td>
</tr>
</tbody>
</table>

Note: If you had breaks in service your retirement codes may be different than listed above. If you have questions or concerns about your retirement code, do not hesitate contacting your benefits specialist in your servicing HR office for verification.

**Key Point:** Because there are many different retirement codes and deduction rates, each employee should verify the retirement code on their SF-50 appears accurate AND the contribution rate is correctly deducted on their Earnings and Leave Statement. Simply multiple your gross pay by the corresponding employee contribution percentage above. If there is an error or a concern, please call your servicing HR office.

## Creditable Service for Retirement

Creditable service means the amount of service used to calculate your retirement eligibility or your retirement annuity. Years and full months of creditable service are added together and used in the retirement calculation. To determine your length of service for computation, add all of your periods of creditable service, then eliminate from the total any fractional part of a month (less than 30 days).

Service that may be creditable towards retirement generally includes:

- Federal civilian service for which contributions have been made or deposited.
- Military service, if a deposit is complete. To receive credit for military service, generally, you must deposit 3% of your military base pay. Interest begins to accrue 2 years after you are hired. With certain exceptions, you cannot receive credit for military service if you are receiving military retired pay. National Guard service is normally not creditable,
except when ordered to active duty in the service of the United States. However, there are rare circumstances when you may receive credit for National Guard service after August 1, 1990, if it is followed directly by Federal civilian reemployment. If you think this provision applies to you, please contact a Benefits Specialist at your servicing HR office.

- Leaves of absence for performing military service or while receiving workers’ compensation.
- Unused sick leave. *(Sick leave is creditable for the annuity computation only. Sick leave cannot be used to determine retirement eligibility.)*
- Non-deduction service prior to 1/1/1989, if a deposit is made.

**Service Computation Dates**
The Service Computation Date (SCD) determines an employee’s eligibility for a specific benefit or entitlement. There are four different types of SCDs: Leave, Retirement, Thrift Savings Plan, and Reduction-In-Force (RIF).

- **Leave SCD** determines the amount of annual leave earned per pay period: four, six, or eight hours. It is shown in block #31 of the Standard Form (SF) 50. This SCD includes most military service, unless you are retired military, even if you haven’t made the military deposit. The rules of computing this SCD are found in the Guide to Processing Personnel Actions, Chapter 6.

![Image](image.png)

*Note: Only your Leave SCD appears on the SF-50.*

- **TSP SCD** is used to determine when you become vested in TSP. Vesting means that you are entitled to keep your Agency Automatic (1%) Contributions (and their earnings) after you’ve completed a time-in-service requirement. Most FERS employees are vested in TSP after 3 years of service. All Federal civilian service time is included in this SCD.

- **RIF SCD** is one of the factors used to determine an employee’s retention if there was a Reduction in Force at the agency.
**Retirement SCD** includes the service that is creditable in determining if you are eligible for retirement. Your retirement SCD is often the date when you were first covered under FERS. The retirement SCD may be adjusted if a deposit is made for non-deduction service before 1989 or military service. The retirement SCD is used to determine retirement eligibility and therefore, does not include sick leave. Sick leave is used in the retirement annuity computation, but not to determine eligibility for retirement. Time not creditable for retirement that may affect the Retirement SCD:

- Excess leave without pay (LWOP)
- Federal service requiring a deposit that has not been paid
- Temporary service performed after 1989 (FERS only)
- Breaks in Federal service in excess of three days
- Military service with an unpaid deposit

**Vesting in FERS**

Vesting means you have a current or future right to receive a FERS basic annuity. To be vested in the FERS basic annuity you must have at least 5 years of creditable civilian service. Employees are eligible for disability benefits after 18 months of civilian service. Once you are vested you can receive a retirement annuity even if you leave Federal service, provided you did not receive a refund of your retirement contributions after you separated.

**Refund of Contributions**

You may withdraw your basic FERS retirement contributions if you leave Federal employment. If you withdraw your retirement contributions, you will not be eligible to receive a retirement annuity for the service period refunded. This refunded service period may only become creditable towards your retirement annuity if you are reemployed and redeposit the refunded amount (plus interest) while reemployed.
FERS Retirement Eligibility
Eligibility is determined by your age and number of years of creditable service worked as noted in your retirement SCD. In most cases you must have at least reached the Minimum Retirement Age (MRA) to be eligible for retirement.

Minimum Retirement Age:

<table>
<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>In 1948</td>
<td>55 and 2 months</td>
</tr>
<tr>
<td>In 1949</td>
<td>55 and 4 months</td>
</tr>
<tr>
<td>In 1950</td>
<td>55 and 6 months</td>
</tr>
<tr>
<td>In 1951</td>
<td>55 and 8 months</td>
</tr>
<tr>
<td>In 1952</td>
<td>55 and 10 months</td>
</tr>
<tr>
<td>In 1953 through 1964</td>
<td>56</td>
</tr>
<tr>
<td>In 1965</td>
<td>56 and 2 months</td>
</tr>
<tr>
<td>In 1966</td>
<td>56 and 4 months</td>
</tr>
<tr>
<td>In 1967</td>
<td>56 and 6 months</td>
</tr>
<tr>
<td>In 1968</td>
<td>56 and 8 months</td>
</tr>
<tr>
<td>In 1969</td>
<td>56 and 10 months</td>
</tr>
<tr>
<td>In 1970 and after</td>
<td>57</td>
</tr>
</tbody>
</table>

Immediate Voluntary Retirement
An immediate retirement benefit is one that starts within 30 days from the date you stop working. If you meet one of the following sets of age and service requirements, you are entitled to an immediate retirement benefit:

<table>
<thead>
<tr>
<th>Age</th>
<th>Years of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>62</td>
<td>5</td>
</tr>
<tr>
<td>60</td>
<td>20</td>
</tr>
<tr>
<td>MRA</td>
<td>30</td>
</tr>
<tr>
<td>MRA</td>
<td>10*</td>
</tr>
</tbody>
</table>

* Age Reduction: If you retire at the MRA with at least 10 years of service, but less than 30 years of service, your annuity will be reduced by 5% a year for each year you are under 62, unless you have 20 years of service and your benefit starts when you reach age 60 or later.
Early Retirement
Voluntary early retirement (VERA) and discontinued service retirement (DSR) are only available in certain involuntary separation cases and in cases of voluntary separations during a major reorganization or reduction-in-force, if proper authority is obtained from OPM. You must meet the following requirements:

<table>
<thead>
<tr>
<th>Age</th>
<th>Years of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>20</td>
</tr>
<tr>
<td>Any age</td>
<td>25</td>
</tr>
</tbody>
</table>

Deferred or Postponed Retirement
Deferred or postponed retirement refers to delaying the date your retirement annuity begins. A deferred retirement occurs when you are not eligible for immediate retirement and have at least 5 years of service. If you resign before you meet the age and service requirements for an immediate retirement benefit, you may be eligible for deferred retirement benefits when you reach the age requirements for the voluntary retirement benefits mentioned above. You cannot reinstate Federal Employee Health Benefits (FEHB) or Federal Employee Group Life Insurance (FEGLI) if you retire under a deferred retirement.

A postponed retirement is available if you have reached the MRA with at least 10 years of service, but you do not have enough years of service to meet the requirements for a voluntary, unreduced retirement. You can elect to delay the annuity start date to avoid or reduce the age reduction. By waiting to apply for retirement until you are age 62 (or age 60 with 20+ years of service) your annuity will not be reduced. If you are eligible for a postponed retirement you might be eligible to reinitiate FEHB and/or FEGLI coverage in retirement, if you meet all the other requirements.

Disability Retirement
You may be eligible for a disability retirement if you become disabled, because of a disease or injury, while in a position covered by FERS. The disability must be expected to last at least one year. Your agency must certify that it is unable to accommodate your disabling medical condition in your present position and that it has considered you for any vacant position in the same agency at the same grade/pay level, within the same commuting area, for which you are qualified for reassignment. OPM makes the final determination if the employee qualifies for disability retirement based upon the documentation submitted.

<table>
<thead>
<tr>
<th>Age</th>
<th>Years of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any age</td>
<td>18 months</td>
</tr>
</tbody>
</table>
**FERS Annuity Computation**

Your FERS annuity is based on your years of creditable service (as described above) and your average pay for your three highest paid consecutive years. Although accrued sick leave cannot be used to determine your retirement eligibility, sick leave is added to your years of service to compute your retirement annuity.

**High-3 Average Pay** is the highest three consecutive years of basic pay. This is usually the last three years of your pay before you retire, but not always. Your basic pay is the basic salary you earn for your position and includes locality pay (if applicable). It also includes increases to your salary for which retirement deductions are withheld, such as shift rates. It does not include payments for overtime, bonuses, etc.

**Voluntary Retirement Annuity Computation:**

If you retire at age 62 or later with at least 20 years of eligible service, a factor of 1.1% is used rather than 1%. Your benefits will be reduced if you retire under MRA+10 retirement rules, as stated under the voluntary retirement section.

Your retirement annuity continues from the date of retirement until you die. If you elect a spousal annuity, and you die before your spouse, the spousal annuity continues until your spouse dies.

**Firefighters and Law Enforcement Officers**

To qualify for firefighter and law enforcement retirement benefits you must meet all of the qualifications, including:

- 20 years of service under the “special” retirement coverage,
- 3 years in a primary position, and
- If you are in an approved secondary position, there cannot be any breaks in special retirement coverage between the primary and secondary position. You must have moved directly from the primary position to the secondary position. Nor can there be any breaks in the special retirement coverage between any secondary positions.
Employees covered under the FERS special retirement may elect to retire at age 50 with 20 years of service, or at any age with 25 years of service without an age reduction. They are also subject to a mandatory retirement at age 57 if they are under the special retirement coverage at the time. If you are in one of these employee groups, you contribute an additional .5% of your pay to the Federal Employees Retirement System (FERS).

Your annual annuity is computed as follows:

\[
\text{High-3 average salary} \times 1.7\% \times 20\text{ years of service} \\
\text{plus} \\
\text{High-3 average salary} \times 1\% \times \text{years of service exceeding 20}
\]

You also receive a Special Retirement Supplement (discussed below) from the date of retirement until age 62 that approximates the Social Security benefit earned from your Federal service. After you reach the Minimum Retirement Age (MRA), if you have earnings from wages or self-employment that exceeds the Social Security annual exempt amount, your supplement will be reduced or stopped. You are also entitled to an annual Cost-of-Living Adjustment (COLA), regardless of your age.

**Part-Time Employees**

Retirement annuities are based on an employee’s length of service and the highest annual base pay received for any three consecutive years. Each year of part-time service counts as one full year toward the eligibility for retirement. However, the annuity calculation for periods of part-time service is prorated to reflect the difference between full-time and part-time service. For example, if you worked for 30 years, with 2 years of those years as a part time employee working 20 hours per week, your retirement eligibility is based on the full 30 years of service. However, the annuity is computed as:

\[
\text{High-3 average salary} \times 1\% \times 28\text{ years} \\
\text{plus} \\
\text{High-3 average salary} \times 1\% \times (2\text{ years} \times 50%)
\]
**Special Retirement Supplement**

The FERS annuity supplement is a temporary benefit paid in addition to gross monthly Federal Employees Retirement System (FERS) annuity benefits. It represents approximately what you would receive from the Social Security Administration (SSA) for your FERS civilian service if you were eligible to receive SSA benefits on the day you retired. Eligibility for the annuity supplement usually continues until age 62.

If you retire voluntarily on an immediate annuity which is not reduced for age (MRA + 10), you may be eligible for the annuity supplement in addition to your regular monthly FERS benefit. You may also receive the supplement if you retired involuntarily before attaining your Minimum Retirement Age (MRA) or voluntarily because of a major reorganization, reduction-in-force, or an early retirement for Members of Congress. However, in these three instances, you will not be eligible for the annuity supplement until you reach your Minimum Retirement Age (MRA). If you receive a deferred annuity, a disability annuity or an immediate MRA+10 annuity, you will not be eligible for the annuity supplement.

Like social security benefits, the FERS annuity supplement is subject to an earnings test. The FERS annuity supplement is reduced if you earn more than the Social Security earnings limit in the prior year. The Social Security earnings limit for 2016 is $15,720. The FERS annuity supplement is reduced by $1.00 for every $2.00 of earnings over this earning limit. It is possible that the supplement could reduce to $0. However, the FERS basic benefit will not be reduced. If you are receiving a supplement, you must report your earnings to OPM. The reduction for excess earnings does not apply to employees who retire under the special provisions for law enforcement officers or firefighters until they reach the MRA.

**Disability Retirement Annuity**

FERS disability benefits are computed differently depending on the annuitant’s age and years of creditable service at retirement. In addition, FERS disability retirement benefits are recomputed after the first twelve months and again at age 62, if the annuitant is under age 62 at the time of disability retirement.

**FERS Disability computation if you are age 62 or eligible for an immediate voluntary retirement:**

<table>
<thead>
<tr>
<th>Age</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>If age 62 or older at retirement with less than 20 years of service, OR under age 62 qualified for an immediate voluntary retirement</td>
<td>High-3 average salary x 1% x years of service</td>
</tr>
<tr>
<td>If age 62 or older with 20 or more years of service</td>
<td>High-3 average salary x 1.1% x years of service</td>
</tr>
</tbody>
</table>
FERS Disability computation if you are under age 62 and not eligible for an immediate voluntary retirement:

<table>
<thead>
<tr>
<th>Duration</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>First 12 months</td>
<td>High-3 average salary x 60% minus 100% of Social Security benefits</td>
</tr>
<tr>
<td>After 12 months until you are 62</td>
<td>High-3 average salary x 40% minus 60% of Social Security benefits</td>
</tr>
</tbody>
</table>

When you reach age 62 your annuity will be recomputed using an amount that essentially represents the annuity you would have received if you had continued working until the day before your 62nd birthday and then retired under FERS. The total service used in the computation will be increased by the amount of time you received a disability annuity. Plus the average salary used in the computation will be increased by all FERS cost-of-living increases paid during the time you received a disability annuity. If you are a disability retiree under age 60 and your total income from work in a calendar year exceeds 80% of the current pay level of your former job, the disability benefits will be discontinued. You also may be required to provide proof periodically that you have not recovered from your disability.

**Survivor Benefits**
The Basic Benefit Plan provides benefits for survivors of Federal employees and retirees.

**Spousal Benefits**
Your spouse may be eligible for spousal benefits if you die while you are a current employee and...

- You are married for at least nine months, have a child born of the marriage or the death was accidental, and
- You have 18 months of civilian service, and die while you are an active employee

**Basic Employee Death Benefit:** Your surviving spouse may be eligible for a lump sum payment equal to 50% of your final salary (average salary, if higher), plus an additional lump sum payment amount which increases each year by the rate of the cost-of-living adjustments. The lump sum payment amount changes every year. In 2015 amount payable was $32,326.58.

**Monthly Spousal Annuity:** If you had at least 10 years of creditable service (18 months of which must be civilian service), your spouse also receives a monthly annuity equaling 50% of your accrued basic retirement benefit. These benefits are paid in addition to any Social Security, group life insurance, or Thrift Savings Plan survivor benefits.
If you die while you are a retiree...

If a FERS retiree dies, recurring monthly payments may be made to the surviving spouse if the retiree elected a reduced annuity to provide the benefit. To qualify for this benefit, you must have been married for at least nine months, have a child born of the marriage or the death was accidental.

Options for spousal annuity:

<table>
<thead>
<tr>
<th>Percentage of Annuity for Spouse</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>No annuity</td>
<td>No cost</td>
</tr>
<tr>
<td>50% of your annuity payable</td>
<td>10% of the annuity</td>
</tr>
<tr>
<td>25% of your annuity payable</td>
<td>5% of the annuity</td>
</tr>
</tbody>
</table>

Former Spouses
A former spouse may receive survivor benefits as the retiree indicated on the retirement application or as required by a qualifying court order.

Children
Unmarried children who are dependent upon the retiree may receive recurring monthly benefits until they reach age 18, marry or die. If the child is a full-time student attending a recognized school, the monthly survivor annuity payments for a child can continue until age 22. Unmarried disabled, dependent children may receive recurring monthly benefits, if the disability occurred before age 18.

Lump Sum Benefit
If no survivor annuity is payable upon the retiree’s death, a lump sum payment may be payable of any amount due to the retiree. This payment would include any remaining amount of the annuity due on the date of death, plus the remaining amount of the retiree’s retirement contributions that have not already been paid, plus applicable interest.
**Thrift Savings Plan**

A component of the complete Federal Employees Retirement System (FERS) package is the Thrift Savings Plan (TSP). The TSP is a retirement savings plan similar to 401(k) plans offered to private sector employees. The purpose of the TSP is to give you the ability to participate in a long-term retirement savings and investment plan. Saving for your retirement through the TSP provides many advantages, including:

- Agency contributions (1% of basic pay for FERS employees)
- Agency matching contributions (Up to 4% of basic pay for FERS employees)
- Automatic payroll deductions
- A diversified choice of investment options
- A choice of tax treatments for your contributions:
  - Traditional (pre-tax) contributions and tax-deferred investment earnings, and
  - Roth (after-tax) contributions with tax-free earnings at retirement if you satisfy the IRS requirements
- Low administrative and investment expenses
- A variety of withdrawal options

Your thrift account is the part of your retirement that you control — you decide how much of your pay to put in your thrift account, how to invest it, and, when you retire, you decide how you want your money paid out.

The best way to ensure that your retirement income meets your needs is to invest in the Thrift Savings Plan from the beginning of your Federal service, and to continue to do so throughout your career. This is your way to invest in your own future — to invest in yourself.

Additional information about the benefits, options and features of the TSP are available at [www.tsp.gov](http://www.tsp.gov). Employees should at least review the [Summary of the Thrift Savings Plan](http://www.tsp.gov) for additional information about this important benefit. Separate booklets and fact sheets are available on the TSP website, including information on taxation, investment options, loans, withdrawal options and annuities.
Social Security Benefits

The final piece of your retirement benefit is your Social Security benefit.

What is Social Security?

Social Security refers to the benefit payments provided under the Old-Age Survivors, and Disability Insurance (OASDI) programs of the Social Security Act. Some companies will refer to this tax as FICA (Federal Insurance Contributions Act). You will see an OASDI deduction on your Earnings and Leave Statement.

As an employee with FERS coverage, you also have Social Security coverage. You are also covered under Social Security’s Medicare Hospital Insurance program. This pays a portion of hospital expenses incurred while you are receiving Social Security disability benefits or retirement benefits at age 65 or older.

Social Security Benefits

Generally, your Social Security benefit is a percentage of your average lifetime earnings over 35 years of employment. Low-income workers receive a higher percentage of their average lifetime earnings than those in the upper income brackets. A worker with average earnings (approximately $45,000 - $50,000) can expect a retirement benefit that replaces about 40% of his or her average lifetime earnings (Source: ssa.gov 2014). As you can see from the chart below, high earners receive a larger annuity, but the percentage of income replaced is a smaller percentage of their prior earnings. Therefore, higher income employees may need to save more money for retirement.

Source: Social Security Administration, Replacement Rates for Hypothetical Retired Workers, July 2015
Social Security was never intended to be your only source of income when you retire or become disabled or your family’s only income if you die. It is intended to supplement your savings, investments, pensions and insurance plans.

Social security pays you benefits at **full retirement age** if you have worked long enough. The full retirement age is the age at which a person may first become entitled to full or unreduced retirement benefits. The full retirement age for Social Security is determined by the year you were born:

<table>
<thead>
<tr>
<th>Year of Birth*</th>
<th>Full Retirement Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937 or earlier</td>
<td>65</td>
</tr>
<tr>
<td>1938</td>
<td>65 and 2 months</td>
</tr>
<tr>
<td>1939</td>
<td>65 and 4 months</td>
</tr>
<tr>
<td>1940</td>
<td>65 and 6 months</td>
</tr>
<tr>
<td>1941</td>
<td>65 and 8 months</td>
</tr>
<tr>
<td>1942</td>
<td>65 and 10 months</td>
</tr>
<tr>
<td>1943--1954</td>
<td>66</td>
</tr>
<tr>
<td>1955</td>
<td>66 and 2 months</td>
</tr>
<tr>
<td>1956</td>
<td>66 and 4 months</td>
</tr>
<tr>
<td>1957</td>
<td>66 and 6 months</td>
</tr>
<tr>
<td>1958</td>
<td>66 and 8 months</td>
</tr>
<tr>
<td>1959</td>
<td>66 and 10 months</td>
</tr>
<tr>
<td>1960 and later</td>
<td>67</td>
</tr>
</tbody>
</table>
If you delay your retirement beyond full retirement age, you will get special credit for each month you do not take benefits until age 70. If you choose to delay your retirement past age 65, you still should file for Medicare within three months of your 65th birthday.

You are able to receive your Social Security benefits at age 62, but there is a reduction in the annuity amount you will receive for being under the full retirement age. Here's how it works: If your full retirement age is 67 and if you start your retirement benefits at age 62, your monthly benefit amount is reduced by about 30%. The reduction for starting benefits at age:

- 63 is about 25%;
- 64 is about 20%;
- 65 is about 13.3%; and
- 66 is about 6.7%.

Benefits can be paid to you at any age if you have worked long enough and you have a severe physical or mental impairment that prevents you from working for a year or more or if you have a medical condition that is expected to result in your death. Do not delay filing until you have been out of work for a year as it can take several months to process a disability claim.

Once benefits begin, their continuation may depend upon your meeting a variety of conditions. For example, if you have earnings that exceed specified the amounts while you are under full retirement age, your Social Security benefits will be reduced or stopped.

**Social Security Taxes**
Most of the cost of Social Security is paid for through payroll taxes. Each year you pay a percentage of your salary up to a specified earnings amount called the maximum taxable wage base. The Federal Government, as your employer, pays an equal amount. The percentage you pay for old age, survivor, and disability insurance (OASDI) coverage is 6.2% of your earnings up to the maximum taxable wage base. The Medicare payment you and your agency each pay is 1.45% of your total pay. All wages are subject to the deduction for Medicare.

**Social Security Tools**
- Check your earnings record on your Social Security Statement. The Statement is available online to workers age 18 and older. To review your Statement, go to [www.socialsecurity.gov/mystatement](http://www.socialsecurity.gov/mystatement) and create an account.
- Check if you qualify for benefits, by using the online Retirement Estimator at [www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator). The Retirement Estimator is a convenient, secure and quick financial planning tool that allows you to create your own “what if” scenarios.
- If you do not already have enough credits to qualify for benefits, there are other benefit calculators at [www.socialsecurity.gov/planners](http://www.socialsecurity.gov/planners).
Benefits Payable at Death
If you die while you are an employee there are several payments that may be due to your survivors.

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<th>Potential Payments Due</th>
<th>Beneficiary Election Form</th>
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<td>Standard Form 1152</td>
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<tr>
<td>FERS Annuity and lump sum benefit <em>(if the FERS criteria listed above is met)</em></td>
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<td>Federal Employee Group Life Insurance</td>
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Who Receives These Benefits?
Many employees believe that Federal benefits are distributed in accordance with an employee’s last will and testament. However, this is rarely true. Your Federal benefits pay out in accordance with the beneficiary form you filled out or the order of precedence if a beneficiary form is not on file. These benefits bypass the will.

The Order of Precedence for Federal Benefits is:

1. To the beneficiary(ies) you designated;
2. If there is no valid designation of beneficiary, to your widow or widower;
3. If none of the above, to your child or children, with the share of any deceased child distributed among the descendants of that child;
4. If none of the above, to your parents in equal shares, or the entire amount to the surviving parent;
5. If none of the above, to the court-appointed executor or administrator of your estate;
6. If none of the above, to your other next of kin as determined under the laws of the state where you lived.

An exception to the “order of precedence” shown above applies to the Federal Employees Group Life Insurance (FEGLI) program. FEGLI benefits are paid first in accordance with a court order or to the assignee of the life insurance, if either exists.
**Beneficiary Forms**
If you are satisfied with the payment order shown in the order of precedence above, you do not have to complete the beneficiary designation forms. If beneficiary forms are completed, your assets pass directly to the beneficiaries you designated, without consideration of what is written in your will or the order of precedence. These forms are extremely important to keep updated, especially if you divorce or marry.

If a former spouse is designated, the benefits are paid to the former spouse. If children are named as beneficiaries but, the designation was not updated to include children born after the initial designation, the younger children will not receive any benefits, even if you updated your will. You should keep a copy of all beneficiary forms submitted in a safe place, such as with your will.

Can’t remember if you completed these forms? It may be easier to just submit new forms. If you want to verify the designations you can view your eOPF or contact the office were it is maintained as listed below:

- TSP beneficiary form is maintained by TSP.
- FEGLI beneficiary form is maintained in your eOPF by your HR office for current employees and by OPM if you are a retiree.
- Unpaid compensation beneficiary form is maintained in your eOPF if you are a current employee.
- FERS beneficiary form is maintained in your eOPF until you retire or separate, then it is sent to OPM.
- CSRS beneficiary form is maintained at OPM.

**Who can I designate as a beneficiary?**
You may designate any person, firm, corporation or legal entity. It does not have to be a relative. The designation may be a trust, your estate, a girlfriend, boyfriend or significant other. However, it is important to know a child (under the age of 18) may not directly inherit money in some cases. If the beneficiary is a minor, the court may appoint a guardian and grant the guardian the authority to collect the money on the child’s behalf. The court may require a trust be set up in the child’s name. If you have children under the age of 18 who you would like to designate as a beneficiary, you should talk to your estate planning attorney for options such as establishing a trust or a testamentary trust.