# Chapter 51. Retiree Annuity Supplement

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# Subchapter 51A. FERS

## *Part 51A1. General Information*

### Subpart 51A1.1. Overview

#### *Section 51A1.1-1. Introduction and Organization*

**A. Introduction**

Chapter 51 explains the rules regarding eligibility for and computation of the retiree annuity supplement under FERS.

The retiree annuity supplement is a benefit paid until age 62 to certain FERS employees who retire before age 62 and who are entitled to an immediate annuity. The supplement approximates the value of FERS service in a Social Security benefit. The general purpose of the supplement is to provide a portion of income before age 62 similar to what the retiree would have received in a Social Security benefit had the retiree attained age 62 and applied for Social Security benefits.

The formula used to compute the supplement is different from the formulas used to compute other benefits paid by OPM because it is an adaptation of the Social Security benefits formula. The key differences between the Social Security calculation and the FERS Annuity Supplement are that Social Security uses actual earnings not deemed earnings to compute a Social Security benefit, and Social Security includes all of a worker's years of employment in order to compute earnings, not just time worked as a Federal employee.

To compute an annuity supplement, you must complete the following steps: First, create a "full career" earnings history using the employee's basic pay during civilian service that is creditable under FERS and deemed wages for years after the employee turned 21 and before the first full year of FERS service. Second, update the earnings history for inflation. Third, compute the supplement, using the same formula that would be used by the Social Security Administration to compute a Social Security benefit, including the maximum reduction for early retirement under Social Security. Fourth, multiply the result of the third step by a fraction to approximate the proportion of a full career Social Security benefit earned under FERS. (See Section 51A2 on how to compute the retiree annuity supplement).

The supplement, like Social Security benefits, may be reduced if a retiree has excess outside earnings. Consequently, OPM must reduce the amount paid when outside earnings exceed the maximum permissible exempt amount.

The retiree annuity supplement is unique to FERS -- there is no comparable benefit for CSRS employees. Therefore, there is no CSRS subchapter on the retiree annuity supplement.

**B. Topics Covered**

This Chapter covers --

- Eligibility for the retiree annuity supplement;

- Computation of the retiree annuity supplement;

- The reduction that is applied to the retiree annuity supplement due to excess earnings over the exempt amount;

- The requirement that retirees report their earnings to OPM annually; and

- Advice the agency should provide retiring employees about the retiree annuity supplement.

## C.  Organization of Subchapter

This subchapter has four parts.

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## D.  Statement of Authority

This chapter and its contents are based on the laws and regulations cited below.

- sections 8421 and 8421a of title 5, United States Code

- subpart E of part 842 of title 5, Code of Federal Regulations.

*Section 51A1.1-2. Definitions*

## A. National Average Wage Index

The National Average Wage index (previously referred to as the Average Total Wages (ATW)) is a figure published annually by the Social Security Administration representing average wages of all workers based on earnings reported on Form W-2. The calculation of the indexed wages ensures that a worker's future benefits reflect the general rise in the standard of living that occurred during his or her working lifetime and is used to compute the estimated Social Security benefit that the retiree would receive from the Social Security Administration.  (See section 51B1.1-3.)

## B. Minimum Age Requirement (MRA)

The MRA is the earliest retirement age at which a FERS employee may retire voluntarily or elect to receive benefits if separated from Federal service after performing at least 10 years of service.  It ranges from age 55 to age 57, depending on an employee's year of birth.  For employees born before 1948, the MRA is 55.  (See section 42A1.1-2, paragraph D, in Chapter 42.)

*Section 51A1.1-3. Eligibility for the Retiree Annuity Supplement*

**A. Individuals Immediately Eligible for the Retiree Annuity Supplement at Retirement**

An individual is immediately eligible for the annuity supplement at time of retirement if he/she –

1. Has as at least 1 calendar year of FERS service (see paragraph D); and

2. Retires with entitlement to an immediate annuity --

   - At or after the MRA with at least 30 years of service;

   - At age 60 with at least 20 years of service;

   - Under one of the special provisions for law enforcement officers, firefighters, air traffic controllers, or military reserve technicians (see Chapter 46);

   - At or after the MRA under discontinued service (involuntary) retirement provisions (see Chapter 44);

   - At or after the MRA under early retirement provisions (that is, a major RIF, reorganization, or transfer of function) (see Chapter 43);

   - At or after the MRA for Members of Congress;

   - At or after the MRA under early retirement provisions for members of the Senior Executive Service, Defense Intelligence Senior Executive Service, Senior Cryptologic Executive Service, and FBI and DEA Senior Executive Service; or

   - Members of the Senior Executive Service, Defense Intelligence Senior Executive Service, Senior Cryptologic Executive Service, and FBI and DEA Senior Executive Service, regardless of age, who are eligible for early retirement because of failure to be recertified as a senior executive

**B. Individuals Not Immediately Eligible for the Retiree Annuity Supplement**

A retiree is eligible for the retiree annuity supplement only upon attaining the MRA rather than at time of retirement if he or she -

1. Has at least 1 calendar year of FERS service (see paragraph D ); and.

2. Retires before the MRA under the provisions for --

   - Discontinued service (involuntary) retirement (see Chapter 44);

   - Early retirement (that is, a major RIF, reorganization, or transfer of function) (see Chapter 43);

   - Members of Congress; or

   - Early retirement for members of the Senior Executive Service, Defense Intelligence Senior Executive Service, Senior Cryptologic Executive Service, and FBI and DEA Senior Executive Service.

**C. Individuals Not Eligible for the Retiree Annuity Supplement**

Retirees in the following categories are not eligible for the retiree annuity supplement at any time:

   - Disability retirees (see Chapter 60);

   - Individuals retiring under the MRA + 10 provision (see Chapter 42);

   - Individuals who are eligible only for a deferred annuity (see Chapter 45); and

- Individuals retiring at age 62 or later.

### D.  Requirement of One Calendar Year of FERS Service

To be eligible for the retiree annuity supplement, individuals described in paragraphs A and B must have at least 1 full calendar year of civilian service creditable under FERS computation rules.  An employee who serves from January 1 through December 30 or 31 is considered to have performed a "calendar year" of service for this purpose.

**Example:**   Albert submitted his election to transfer to FERS on December 28, 2001, and the transfer became effective on January 3, 2002.  He retired on December 31, 2002.  Since he did not perform a full calendar year of FERS service in 2002 because the transfer was effective January 3rd, the year 2002 does not count as a "calendar year" and he is not eligible for an annuity supplement.

**Note:**   Military service cannot be counted in determining if the employee has 1 full year of FERS service (unless it is a period of military service covered by military leave with pay -- or leave without pay -- from a civilian position).

### E.  Duration of the Retiree Annuity Supplement

The retiree annuity supplement is payable through the earlier of the following dates:

1.  The last day of the month in which the retiree becomes age 62; or

2.  The last day of the month before the first month for which the retiree would, upon proper application, be entitled to Social Security benefits.

**Note 1**   For retirement and Social Security purposes, an individual attains or becomes age 62 on the "first moment" of the day before his or her 62nd birthday.  Thus, if a retiree's 62nd birthday is on September 1st, then he or she becomes age 62 on August 31st (See EXAMPLE 1 below).

**Note 2**   An individual is entitled to Social Security old-age benefits, upon proper application, beginning on the first of the month throughout which he or she is age 62 (as defined in Note 1) and is fully insured (See Example 2 below).

**Example 1**   Mary's 62nd birthday is September 1st.  Her annuity supplement stops on August 31st whether or not she is entitled to Social Security benefits, because she attained age 62 on August 31st (see NOTE 1, above).

**Example 2**   Sam's 62nd birthday is September 2nd.  He is eligible for Social Security benefits beginning on September 1st because September is the first month as a 62-year-old. Therefore, his FERS retiree annuity supplement stops on August 31st.  However, if Sam were not entitled to Social Security benefits, the supplement would continue until September 30th because that is the last day of the month in which he became age 62.

*Part 51A2. Computation of the Retiree Annuity Supplement*

### Subpart 51A2.1 Constructing Earnings History

*Section 52A2.1-1 Rules*

#### A. General

The first step in calculating a retiree annuity supplement is to construct an earnings history using **actual** and **deemed** pay.

Note:      The procedure for computing the annuity supplement for a regularly scheduled part-time employee is no different from that for a full-time employee. However, a part-time employee will generally have less earnings than a full-time employee. Therefore, a retiree with part-time earnings may have a lower actual/deemed pay used in the calculation of his or her annuity supplement.

#### B. Earnings History/Elapsed Years

The earnings history consists of an individual's "elapsed years," which are defined as the calendar years after the year in which the individual attained age 21 (or after 1950, if later) and before the year in which he or she becomes entitled to the retiree annuity supplement.

#### C. Actual Pay

1. In constructing an earnings history, use actual pay for each year in which the employee has a full calendar year of creditable civilian service under FERS.

    - Actual pay for purposes of computing the retiree annuity supplement is only pay that is subject to retirement deductions (that is, basic pay) up to the Social Security maximum taxable earnings (The maximum taxable earnings is the maximum amount of wages, in any calendar year, to which the Social Security tax is applied. See Table A, section 51B1.1-2). Actual pay does not include any pay that is not subject to retirement deductions, such as cash awards or overtime (even though such pay is subject to FICA taxes).

    - Actual pay for any year may be calculated by multiplying total FERS deductions by the appropriate factor in Table D , section 51B1.1-5.

2. Use actual pay in the following situations:

    - Full calendar years of CSRS service that subsequently become subject to FERS computation rules (for example, CSRS Offset service).

    - An otherwise qualifying calendar year in which there are periods of LWOP that are 6 months or less in the aggregate.  ("Actual pay" in Section 51A2.1-1)

    - such cases is the earnings actually received and not the earnings the employee would have received had he or she not been in a LWOP status); and

    - Full calendar years of non-deduction service (for example, temporary service) before 1989 for which a FERS deposit has been made.

3. Do not use actual pay in the following situations:

    - Any calendar year in which there are periods of LWOP exceeding 6 months in the aggregate. In such cases, the employee has not performed a full calendar year of creditable FERS service; consequently, the year is a "deemed pay" year (see paragraph D);

- Any calendar year in which the employee had a break in service exceeding 3 days. The calendar years in which a break occurs are "deemed pay" years (see paragraph D);

- Calendar years of non-deduction service for which a deposit has not been (or cannot be) paid; and

- Calendar years of FERS service for which a refund of FERS deductions has been paid.

### D. Deemed Pay

Use deemed pay for years in which the individual did not have creditable civilian FERS service for a full calendar year. Since the earnings history for the annuity supplement computation begins with the year the employee reached age 22 (or 1951, if later) and ends with the year before the year in which the annuitant is entitled to receive an annuity supplement, many retiring employees will have some years for which deemed earnings must be derived.

In general, to compute deemed earnings --

1. Compute an earnings ratio by dividing the employee's actual pay for the first full calendar year of FERS service by the National Average Wage Index for that year (see Table B, section 51B1.1-3); and

2. Multiply the earnings ratio by the National Average Wage for each year in which earnings are to be deemed

**Example:** Determine deemed earnings for 2018 when the first full calendar year of FERS service is 2019. Assume actual pay in 2019 is $60,000. (See Table B, section 51B1.1-3 for 2018 and 2019 National Average Wages.)

$$\frac{2019 \text{ Actual Pay}}{2019 \text{ National Average Wage}} = \text{Earnings Ratio}$$

Earnings Ratio x 2018 National Average Wage = 2018 Deemed Pay

$$\frac{\$60,000.00}{\$54,099.99,} = 1.109058$$

1.109058 x $52,145.80 = $57,832.72

**Note 1:** The actual pay used in the earnings ratio may not exceed the applicable maximum taxable earnings. Also, the deemed pay for any year may not exceed the applicable maximum taxable earnings (see Table A, section 51B1.1-2).

**Note 2:** Each time there is a break in service exceeding 3 days, the year in which the break occurred and any subsequent years until the next full calendar year of FERS civilian service are "deemed pay" years.

The earnings ratio used to compute deemed pay for such years is computed by dividing the employee's actual pay in the first full calendar year of FERS service after the break by the National Average Wage for that year.

**Note 3:** If the National Average Wage for a year is not yet available, use the National Average Wage for the last known year to derive an estimated deemed pay. If the National Wage is not available when OPM computes the supplement, it will use the last National Average Wage and recompute the supplement when the correct National Average Wage is available.

### E. Earnings in Year of Separation

1. General Rule

   Earnings during the year in which an employee separates for an immediate retirement are not included in the earnings history.

2. Exception

   If the annuitant retired before the calendar year in which he or she reached the MRA under circumstances in which the annuity supplement does not begin until he or she reaches the MRA (see section 51A1.1-3, paragraph B), earnings in the calendar year of retirement are the retiree's annual basic pay for that year (even though he or she only worked part of the year). Earnings in calendar years after the year of separation, and before the MRA is reached, are deemed to be zero.

### F. Earnings in Year of Separation

1. General Rule

   A new earnings ratio must be calculated after every interruption in FERS covered service greater than three days. A full calendar year of FERS service is from January 1 through December 30 or 31. A year that begins on January 1 but ends on or before December 29 is not considered a full calendar year. The earnings from the "next" full calendar year of FERS service after each interruption in FERS service must be used to compute an additional earnings ratio. Therefore, multiple earnings ratios will be applied to deemed wages in the earnings history when an interruption in FERS service occurs.

**Example:** Madison is appointed to a FERS covered position effective January 1, 1990 and retires on November 30, 2019. She had a break in service from March 1, 1995 through July 10, 1997. The earnings for 1990 will be used in the first earnings ratio calculation to determine the deemed wages prior to 1990 (1990 is the first full calendar year under FERS). The earnings for 1998 will then be used in an additional earnings ratio calculation to determine the deemed wages for 1995, 1996, and 1997.

**Subpart 51A2.2 Determining the Benefit Computation Years**

*Section 52A2.2-1 Rules*

**A. General**

Once the earnings history is constructed, the next step is to determine the benefit computation years to be used in the computation of the retiree annuity supplement

**B. Procedure**

1. Index Earnings

   Index the earnings during the elapsed years (see section 51A2.1 1, paragraph B) by multiplying the earnings (both actual and deemed) for each year by the appropriate index factor.  Index factors change yearly and are listed in Table C, section 51B1.1-4.

2. Select Benefit Computation Years

   Eliminate the 5 lowest years of indexed earnings from the elapsed years.  The years remaining are the benefit computation years that will be used to compute the retiree annuity supplement

## Subpart 51A2.3 Determining the Benefit Computation Years

*Section 52A2.3-1 Rules*

### A. General

Once the benefit computation years have been determined, the retiree annuity supplement is computed using a methodology derived from the Social Security law.  This methodology is explained in the paragraphs that follow:

**Note:**  A blank computation worksheet (for local reproduction) is provided in section 51B1.2-1. Computation examples are provided in section 51B1.1-3.

### B. Average Indexed Monthly Earnings (AIME)

The Average Indexed Monthly Earnings (AIME) must first be computed to reflect the change in general wage levels that occurred during the employee's years of employment, by using the following formula.

1.  Total the indexed earnings (actual and deemed) from the benefit computation years;

2.  Determine the number of months in the benefit computation years (number of years x 12); then

3.  Divide the total indexed earnings derived in B1 by the number of months derived in B2.  Drop any fraction of a dollar that is left over.  The result is the AIME for the purpose of computing the retiree annuity supplement.

### C. Primary Insurance Amount (PIA)

The next step is to compute the Primary Insurance Amount (PIA). The PIA is the benefit an employee would receive if he or she elected to begin receiving retirement benefits at his or her normal retirement age. The formula used to compute the PIA contains bend points (dollar amounts) that change each year. The bend points are set by the Social Security Administration.  For the current year's bend points, visit https://www.ssa.gov/oact/cola/bendpoints.html.  The percentages in the formula are set by law.

1.  If the annuity supplement commences in 2021, the PIA is computed, for purposes of calculating the retiree annuity supplement, by using the following formula.

    -  90 percent x first $996 of AIME; plus

    -  32 percent x next $5,006 of AIME (earnings over $996 and through $6,002); plus

    -  15 percent x AIME over $6,002, equals the PIA.

See example computations in section 51B1.1-3, part III, #3.

**Note:**  In general, the annuity supplement is computed as if the annuitant were age 62 and fully insured on January 1 of the year during which the annuity supplement commences.  Therefore, the PIA is computed by using the Social Security formula (bend points) that applies for individuals turning age 62 in that year.

In addition, the age reduction that is applied to Social Security benefits that begin at age 62 is also applied in calculating the retiree annuity supplement.  (See paragraph C2 below.) However, the windfall elimination provision is not applied.

2.  Multiply the PIA computed in C1 by the appropriate reduction factor found in Table E, section 51B1.1-6.  The factor to be used depends on the individual's year of birth.  Note that for those born before 1938, the reduction factor is 80 percent.  For those born in 1938 or later, the reduction factor

is less than 80 percent but never less than 70 percent.

**D. Amount of Retiree Annuity Supplement**

The reduced PIA obtained in paragraph C is multiplied by the following fraction.

- The numerator is the retiree's total civilian service creditable under FERS, rounded to the nearest whole number, but not exceeding 40 years; and

- The denominator is 40.

This fraction is expressed as follows;

$$\frac{\text{Total Civilian Service Creditable under FERS (rounded to nearest full year}}{40}$$

**Note:** Civilian Service includes time in active and honorable military service performed during a period covered by military leave with pay or leave without pay from civilian service as long as a military deposit is paid under USERRA rules. Military service not covered under USERRA is not creditable for the retiree annuity supplement. See P.L. 103-353, the "Uniformed Services Employment and Reemployment Rights Act of 1994" for more information on creditable service under USERRA.

*Part 51A3. Reduction in Retiree Annuity Supplement Due to Excess Earnings*

## Subpart 51A3.1 Reduction Due to Excess Earnings

*Section 52A3.1-1 Rules*

### A. General

A person who is employed after retiring may lose part or all of the retiree annuity supplement if the amount he or she earns exceeds the maximum permissible "exempt amount" of earnings.

**Note 1:** The reduction applies only to the retiree annuity supplement, not to the basic FERS annuity.

**Note 2:** The reduction for excess earnings does not apply to employees who retire under the special provisions for law enforcement officers, firefighters, air traffic controllers, and military reserve technicians (see Chapter 46) until they reach the MRA.

An exemption exists for certain earnings of retired air traffic controllers employed full-time under contract with the Federal Aviation Administration (FAA). Excess earnings of air traffic controller instructors employed under contract with the FAA, including instructors working at an on-site facility (such as an airport), during any period on or after December 8, 2016, are not considered earnings for purposes of OPM's annual annuity supplement earnings test (See 5 U.S.C. 8421a(c)).

An individual must meet all of the following requirements to qualify for the earnings exemption under 5 U.S.C. § 8421a(c):

1. Retirement Provision – The individual must have retired under 5 U.S.C. § 8412(e) (air traffic controller retirement) in order to qualify for 5 U.S.C. § 8421a(c) exemptions.

2. Full-time Employment – The individual must be employed full-time sometime during the calendar year. The minimum time period for establishing full time employment is one calendar week. An individual must work at least 40 hours during a work week to be considered full-time.

3. Exempt Contract Earnings – The individual must receive exempt contract earnings sometime during the calendar year. Exempt contract earnings are defined as, pay that is earned during a period of full-time employment as a contracted air traffic controller instructor with the FAA.

### B. Exempt Amount

The exempt amount is the same as the amount established by the Social Security Administration for the purpose of calculating the earnings reduction for Social Security benefits. (See 42 U.S.C. 403.)

In 2021, the exempt amount is $18,960. That is, a retiree can earn up to $18,960 during the year without losing any part of the retiree annuity supplement to which he or she may be entitled. The exempt amount increases annually with the annual increases in average wage levels in the national workforce. (The Social Security Administration publishes the updated exempt amount each year.)

### C. Amount of Reduction

If a retiree's earnings exceed the exempt amount, the annuity supplement will be reduced $1 for every $2 that is earned above that amount. Earnings, for purposes of calculating the earnings reduction, consist of the sum of wages for services performed in the year, plus all net earnings from self-employment for the year, minus any net loss from self-employment for the year. (See 42 U.S.C. 403.)

**Note 1:** Any earnings reduction during a year may not exceed the amount of the annuity supplement payable during that year.

**Note 2:** For the year immediately following the first year during which a retiree became eligible to receive the annuity supplement, the annual earnings reduction amount cannot exceed total annuity supplement to which the individual was entitled in the first year, or preceding year. For example, Liza retires at the end of September 2020, and is awarded an annuity supplement of $500 a month.

Since her annuity supplement payments during 2020 total $1,500, any reduction of her annuity supplement payments during 2021 for post-retirement excess earnings during 2020 cannot exceed $1,500 -- no matter how much she earns during the months of October through December 2020.

## D. When Reduction is Assessed

A reduction in the retiree annuity supplement in a given year is based on excess earnings in the previous year.

The reduction is assessed beginning with the year immediately after the first year during which a retiree became entitled to the annuity supplement (or reached the MRA if already receiving the annuity supplement before the MRA).

**Example 1:** Tom retired in June 2020 at age 57 with 30 years of service. He is eligible for an annuity supplement. His earnings in 2020 are subject to the earnings test. If his post-retirement earnings exceed the 2020 exempt amount of $18,240, his annuity supplement for 2021 will be reduced.

**Example 2:** Susan retired at age 52 under the discontinued service provision. She reached her MRA in June 2020 and began receiving the annuity supplement. Her earnings in 2020 became subject to the earnings test. If her post-retirement earnings exceed the 2020 exempt amount of $18,240, her annuity supplement for 2021 will be reduced.

**Example 3:** Bruce retired on May 2018 at age 52 under the firefighter provisions. He started receiving an annuity supplement immediately. It was not subject to the earnings test until he reached his MRA in June 2021.

If no annuity supplement is payable in the year following a year in which the retiree's earnings exceeded the exempt amount (that is, the annuity supplement was terminated during the previous year due to attainment of age 62), there is no reduction for excess earnings since the reduction can only be applied to the retiree annuity supplement.

## E. Reporting Earnings to OPM

OPM asks each retiree who has reached the MRA for a statement of earnings each year he or she is eligible to receive the annuity supplement. Earnings must be reported by retirees using form RI 92-22, *Annuity Supplement Earnings Report*. Mail the completed report to:

U.S. Office of Personnel Management
Retirement Surveys and Students Branch
FERS Annuity Supplement Survey
1900 E St., NW, Room 2416
Washington, DC 20415-0001

**Note 1:**     Retirees do not have to include annuity payments from OPM as earned wages and Air Traffic Controller Instructors do not have to report their full-time wages earned as ATC instructors. Include, as earnings, all income from wages and self-employment actually received plus deferred income earned.

## Part 51A4  Advice to Employee

### Subpart 51A4.1 Reduction Due to Excess Earnings

*Section 51A4.1-1 Rules*

#### A.  Duration of Retiree Annuity Supplement

The retiree annuity supplement terminates at approximately age 62, whether or not the retiree is entitled to or applies for Social Security benefits at that time.  (See section 51A1.1-3, paragraph E, for specific termination date.)

#### B.  Earnings Reduction

A retiree may not receive part or all of the supplement if his or her earnings exceed a certain amount.  After reaching the MRA, retirees who are receiving the annuity supplement are required to report earnings annually to OPM.  (See part 51A3 for detailed information.)

#### C.  COLA's

The retiree annuity supplement is not increased by cost-of-living adjustments (COLAs).

## Subchapter 51B  Job Aids

### *Part 51B1  Annuity Supplement Job Aidss*

#### Subpart 51B1.1  Tables

##### *Section 51B1.1-1  Tables*

This section contains the following tables.

- Table A - Social Security Maximum Taxable Earnings
- Table B - National Average Wage Index
- Table C - Indexing Factors for Retiree Annuity Supplement Commencing in 2020
- Table D - Table for Converting Retirement Deductions to Actual Basic Pay
- Table E - Reduction Factors

*Section 51B1.1-2  Table A*

**Table A - Social Security Maximum Taxable Earnings**

| Year | Amount | Year | Amount | Year | Amount |
|------|--------|------|--------|------|--------|
| 1937-50 | $3,000.00 | 1986 | $42,000.00 | 2006 | $94,200.00 |
| 1951-54 | 3,600.00 | 1987 | 43,800.00 | 2007 | 97,500.00 |
| 1955-58 | 4,200.00 | 1988 | 45,000.00 | 2008 | 102,000.00 |
| 1959-65 | 4,800.00 | 1989 | 48,000.00 | 2009 | 106,800.00 |
| 1966-67 | 6,600.00 | 1990 | 51,300.00 | 2010 | 106,800.00 |
| 1968-71 | 7,800.00 | 1991 | 53,400.00 | 2011 | 106,800.00 |
| 1972 | 9,000.00 | 1992 | 55,500.00 | 2012 | 110,100.00 |
| 1973 | 10,800.00 | 1993 | 57,600.00 | 2013 | 113,700.00 |
| 1974 | 13,200.00 | 1994 | 60,600.00 | 2014 | 117,000.00 |
| 1975 | 14,100.00 | 1995 | 61,200.00 | 2015 | 118,500.00 |
| 1976 | 15,300.00 | 1996 | 62,700.00 | 2016 | 118,500.00 |
| 1977 | 16,500.00 | 1997 | 65,400.00 | 2017 | 127,200.00 |
| 1978 | 17,700.00 | 1998 | 68,400.00 | 2018 | 128,400.00 |
| 1979 | 22,900.00 | 1999 | 72,600.00 | 2019 | 132,900.00 |
| 1980 | 25,900.00 | 2000 | 76,200.00 | 2020 | 137,700.00 |
| 1981 | 29,700.00 | 2001 | 80,400.00 | 2021 | 142,800.00 |
| 1982 | 32,400.00 | 2002 | 84,900.00 | 2022 | 147,000.00 |
| 1983 | 35,700.00 | 2003 | 87,000.00 | | |
| 1984 | 37,800.00 | 2004 | 87,900.00 | | |
| 1985 | 39,600.00 | 2005 | 90,000.00 | | |

*Section 51B1.1-3  Table B*

**Table B - National Average Wage Indexing Series, 1951-2020**

| Year | Index | Year | Index | Year | Index |
|------|------:|------|------:|------|------:|
| 1951 | 2,799.16 | 1976 | 9,226.48 | 2001 | 32,921.92 |
| 1952 | 2,973.32 | 1977 | 9,779.44 | 2002 | 33,252.09 |
| 1953 | 3,139.44 | 1978 | 10,556.03 | 2003 | 34,064.95 |
| 1954 | 3,155.64 | 1979 | 11,479.46 | 2004 | 35,648.55 |
| 1955 | 3,301.44 | 1980 | 12,513.46 | 2005 | 36,952.94 |
| 1956 | 3,532.36 | 1981 | 13,773.10 | 2006 | 38,651.41 |
| 1957 | 3,641.72 | 1982 | 14,531.34 | 2007 | 40,405.48 |
| 1958 | 3,673.80 | 1983 | 15,239.24 | 2008 | 41,334.97 |
| 1959 | 3,855.80 | 1984 | 16,135.07 | 2009 | 40,711.61 |
| 1960 | 4,007.12 | 1985 | 16,822.51 | 2010 | 41,673.83 |
| 1961 | 4,086.76 | 1986 | 17,321.82 | 2011 | 42,979.61 |
| 1962 | 4,291.40 | 1987 | 18,426.51 | 2012 | 44,321.67 |
| 1963 | 4,396.64 | 1988 | 19,334.04 | 2013 | 44,888.16 |
| 1964 | 4,576.32 | 1989 | 20,099.55 | 2014 | 46,481.52 |
| 1965 | 4,658.72 | 1990 | 21,027.98 | 2015 | 48,098.63 |
| 1966 | 4,938.36 | 1991 | 21,811.60 | 2016 | 48,642.15 |
| 1967 | 5,213.44 | 1992 | 22,935.42 | 2017 | 50,321.89 |
| 1968 | 5,571.76 | 1993 | 23,132.67 | 2018 | 52,145.80 |
| 1969 | 5,893.76 | 1994 | 23,753.53 | 2019 | 54,099.99 |
| 1970 | 6,186.24 | 1995 | 24,705.66 | 2020 | 55,628.00 |
| 1971 | 6,497.08 | 1996 | 25,913.90 | | |
| 1972 | 7,133.80 | 1997 | 27,426.00 | | |
| 1973 | 7,580.16 | 1998 | 28,861.44 | | |
| 1974 | 8,030.76 | 1999 | 30,469.84 | | |
| 1975 | 8,630.92 | 2000 | 32,154.82 | | |

**Note:**   If the first year of FERS service is 2021 or 2022, use the National Average Wage for 2020 until the 2021 or 2022 amounts are available

*Section 51B1.1-4  Table C*

**Table C - Index Factors for Retiree Annuity Supplement Commencing in 2021**

| Year | Factor | Year | Factor | Year | Factor |
|------|--------|------|--------|------|--------|
| 1960 | 13.5009658 | 1986 | 3.1232278 | 2012 | 1.2206217 |
| 1961 | 13.2378681 | 1987 | 2.9359868 | 2013 | 1.2052174 |
| 1962 | 12.6066062 | 1988 | 2.7981731 | 2014 | 1.1639032 |
| 1963 | 12.3048487 | 1989 | 2.6916021 | 2015 | 1.1247720 |
| 1964 | 11.8217236 | 1990 | 2.5727621 | 2016 | 1.1122039 |
| 1965 | 11.6126296 | 1991 | 2.4803311 | 2017 | 1.0750787 |
| 1966 | 10.9550519 | 1992 | 2.3587966 | 2018 | 1.0374755 |
| 1967 | 10.3770236 | 1993 | 2.3386833 | 2019 | 1.0000000 |
| 1968 | 9.7096770 | 1994 | 2.2775558 | 2020 | 1.0000000 |
| 1969 | 9.1791980 | 1995 | 2.1897812 | | |
| 1970 | 8.7452136 | 1996 | 2.0876823 | | |
| 1971 | 8.3268160 | 1997 | 1.9725804 | | |
| 1972 | 7.5836146 | 1998 | 1.8744730 | | |
| 1973 | 7.1370512 | 1999 | 1.7755259 | | |
| 1974 | 6.7365965 | 2000 | 1.6824846 | | |
| 1975 | 6.2681603 | 2001 | 1.6432817 | | |
| 1976 | 5.8635568 | 2002 | 1.6269651 | | |
| 1977 | 5.5320131 | 2003 | 1.5881424 | | |
| 1978 | 5.1250319 | 2004 | 1.5175930 | | |
| 1979 | 4.7127644 | 2005 | 1.4640240 | | |
| 1980 | 4.3233438 | 2006 | 1.3996899 | | |
| 1981 | 3.9279458 | 2007 | 1.3389270 | | |
| 1982 | 3.7229870 | 2008 | 1.3088189 | | |
| 1983 | 3.5500451 | 2009 | 1.3288590 | | |
| 1984 | 3.3529442 | 2010 | 1.2981766 | | |
| 1985 | 3.2159285 | 2011 | 1.2587362 | | |

**Note 1:**  Indexing factors for earnings may be found by entering the year of eligibility on the Social Security Website.

**Note 2:**  See section 51A2.1, paragraph B.

*Section 51B1.1-5  Table D*

**Table D - Table for Converting Retirement Deductions to Actual Basic Pay**

| Year | FERS Withholding Rate | Factor | If deductions* equal or exceed amounts shown below, use Maximum Taxable Earnings in Next Column | If deductions below equal or exceed amounts shown below, use Maximum Taxable Earnings from Table A |
|---|---|---|---|---|
| 1984 | 1.3% | 76.92 | $491.40 | $37,800 |
| 1985 | 1.3% | 76.92 | $514.80 | $39,600 |
| 1986 | 1.3% | 76.92 | $546.00 | $42,000 |
| 1987 | 1.3% <br> 1.8%** | 76.92 <br> 55.56 | $569.40 <br> $788.40 | $43,800 |
| 1988 | 0.94% <br> 1.44%** | 106.38 <br> 69.44 | $423.00 <br> $648.00 | $45,000 |
| 1989 | 0.94% <br> 1.44%** | 106.38 <br> 69.44 | $451.20 <br> $691.20 | $48,000 |
| 1990 | 0.8% <br> 1.3%** | 125.00 <br> 76.92 | $410.40 <br> $666.90 | $51,300 |
| 1991 | 0.8% <br> 1.3%** | 125.00 <br> 76.92 | $427.20 <br> $694.20 | $53,400 |
| 1992 | 0.8% <br> 1.3%** | 125.00 <br> 76.92 | $444.00 <br> $721.50 | $55,500 |
| 1993 | 0.8% <br> 1.3%** | 125.00 <br> 76.92 | $460.80 <br> $748.80 | $57,600 |
| 1994 | 0.8% <br> 1.3%** | 125.00 <br> 76.92 | $484.80 <br> $787.80 | $60,600 |
| 1995 | 0.8% <br> 1.3%** | 125.00 <br> 76.92 | $489.60 <br> $795.60 | $61,200 |
| 1996 | 0.8% <br> 1.3%** | 125.00 <br> 76.92 | $501.60 <br> $815.10 | $62,700 |
| 1997 | 0.8% <br> 1.3%** | 125.00 <br> 76.92 | $523.20 <br> $850.20 | $65,400 |
| 1998 | 0.8% <br> 1.3%** | 125.00 <br> 76.92 | $547.20 <br> $889.20 | $68,400 |
| 1999 | 1.05% <br> 1.55%** | 95.24 <br> 64.52 | $762.30 <br> $1,125.30 | $72,600 |
| 2000 | 1.2% <br> 1.7%** | 83.33 <br> 58.82 | $914.40 <br> $1,295.40 | $76,200 |
| 2001 | 0.8% <br> 1.3%** | 125.00 <br> 76.92 | $643.20 <br> $1,045.20 | $80,400 |
| 2002 | 0.8% <br> 1.3%** | 125.00 <br> 76.92 | $679.20 <br> $1,103.70 | $84,900 |
| 2003 | 0.8% <br> 1.3%** | 125.00 <br> 76.92 | $696.00 <br> $1,131.00 | $87,000 |

| Year | FERS Withholding Rate | Factor | If deductions* equal or exceed amounts shown below, use Maximum Taxable Earnings in Next Column | If deductions below equal or exceed amounts shown below, use Maximum Taxable Earnings from Table A |
|---|---|---|---|---|
| 2004 | 0.8%<br>1.3%** | 125.00<br>76.92 | $703.20<br>$1,142.70 | $87,900 |
| 2005 | 0.8%<br>1.3%** | 125.00<br>76.92 | $720.00<br>$1,170.00 | $90,000 |
| 2006 | 0.8%<br>1.3%** | 125.00<br>76.92 | $753.60<br>$1,224.60 | $94,200 |
| 2007 | 0.8%<br>1.3%** | 125.00<br>76.92 | $780.00<br>$1,267.50 | $97,500 |
| 2008 | 0.8%<br>1.3%** | 125.00<br>76.92 | $816.00<br>$1,326.00 | $102,000 |
| 2009 | 0.8%<br>1.3%** | 125.00<br>76.92 | $854.40<br>$1,388.40 | $106,800 |
| 2010 | 0.8%<br>1.3%** | 125.00<br>76.92 | $854.40<br>$1,388.40 | $106,800 |
| 2011 | 0.8%<br>1.3%** | 125.00<br>76.92 | $854.40<br>$1,388.40 | $106,800 |
| 2012 | 0.8%<br>1.3%** | 125.00<br>76.92 | $880.80<br>$1,431.30 | $110,100 |
| 2013 | 0.8%<br>1.3%**<br>3.1%***<br>3.6%**** | 125.00<br>76.92<br>32.26<br>27.78 | $909.60<br>$1,478.10<br>$3,524.70<br>$4,093.20 | $113,700 |
| 2014 | 0.8%<br>1.3%**<br>3.1%***<br>3.6%****<br>4.4%*****<br>4.9%****** | 125.00<br>76.92<br>32.26<br>27.78<br>22.73<br>20.41 | $936.00<br>$1,521.00<br>$3,627.00<br>$4,212.00<br>$5,148.00<br>$5,733.00 | $117,000 |
| 2015 | 0.8%<br>1.3%**<br>3.1%***<br>3.6%****<br>4.4%*****<br>4.9%****** | 125.00<br>76.92<br>32.26<br>27.78<br>22.73<br>20.41 | $948.00<br>$1,540.50<br>$3,673.50<br>$4,266.00<br>$5,214.00<br>$5,806.50 | $118,500 |
| 2016 | 0.8%<br>1.3%**<br>3.1%***<br>3.6%****<br>4.4%*****<br>4.9%****** | 125.00<br>76.92<br>32.26<br>27.78<br>22.73<br>20.41 | $948.00<br>$1,540.50<br>$3,673.50<br>$4,266.00<br>$5,214.00<br>$5,806.50 | $118,500 |
| 2017 | 0.8%<br>1.3%**<br>3.1%*** | 125.00<br>76.92<br>32.26 | $1,017.60<br>$1,653.60<br>$3,943.20 | $127,200 |

| Year | FERS Withholding Rate | Factor | If deductions* equal or exceed amounts shown below, use Maximum Taxable Earnings in Next Column | If deductions below equal or exceed amounts shown below, use Maximum Taxable Earnings from Table A |
|---|---|---|---|---|
| 2017 (Cont.) | 3.6%**** <br> 4.4%***** <br> 4.9%****** | 27.78 <br> 22.73 <br> 20.41 | $4,579.20 <br> $5,596.80 <br> $6,232.80 | $127,200 |
| 2018 | 0.8% <br> 1.3%** <br> 3.1%*** <br> 3.6%**** <br> 4.4%***** <br> 4.9%****** | 125.00 <br> 76.92 <br> 32.26 <br> 27.78 <br> 22.73 <br> 20.41 | $1,027.20 <br> $1,669.20 <br> $3,980.40 <br> $4,622.40 <br> $5,649.60 <br> $6,291.60 | $128,400 |
| 2019 | 0.8% <br> 1.3%** <br> 3.1%*** <br> 3.6%**** <br> 4.4%***** <br> 4.9%****** | 125.00 <br> 76.92 <br> 32.26 <br> 27.78 <br> 22.73 <br> 20.41 | $1,063.20 <br> $1,727.70 <br> $4,119.90 <br> $4,784.40 <br> $5,847.60 <br> $6,512.10 | $132,900 |
| 2020 | 0.8% <br> 1.3%** <br> 3.1%*** <br> 3.6%**** <br> 4.4%***** <br> 4.9%****** | 125.00 <br> 76.92 <br> 32.26 <br> 27.78 <br> 22.73 <br> 20.41 | $1,101.60 <br> $1,790.10 <br> $4,268.70 <br> $4,957.20 <br> $6,058.80 <br> $6,747.30 | $137,700 |
| 2021 | 0.8% <br> 1.3%** <br> 3.1%*** <br> 3.6%**** <br> 4.4%***** <br> 4.9%****** | 125.00 <br> 76.92 <br> 32.26 <br> 27.78 <br> 22.73 <br> 20.41 | $1,142.40 <br> $1,856.40 <br> $4,426.80 <br> $5,140.80 <br> $6,283.20 <br> $6,997.20 | $142,800 |
| 2022 | 0.8% <br> 1.3%** <br> 3.1%*** <br> 3.6%**** <br> 4.4%***** <br> 4.9%****** | 125.00 <br> 76.92 <br> 32.26 <br> 27.78 <br> 22.73 <br> 20.41 | $1,142.40 <br> $1,856.40 <br> $4,426.80 <br> $5,140.80 <br> $6,283.20 <br> $6,997.20 | $147,000 |

\*    These deduction amounts represent withholdings made at FERS withholding rates, not CSRS rates.

\*\* Withholding rate for FERS special groups.

\*\*\* Withholding rate for FERS RAE.

\*\*\*\* Withholding rate for FERS RAE special groups.

\*\*\*\*\* Withholding rate for FERS FRAE.

\*\*\*\*\*\* Withholding rate for FERS FRAE special groups

*Section 51B1.1-6  Table E*

**Table E - Reduction Factors**

| Year of Birth | Reduction Factor | Year of Birth | Reduction Factor |
|---|---|---|---|
| 1937 and before | .800000 | 1955 | .741667 |
| 1938 | .791667 | 1956 | .733333 |
| 1939 | .783333 | 1957 | .725000 |
| 1940 | .775000 | 1958 | .716667 |
| 1941 | .766667 | 1959 | .708333 |
| 1942 | .758333 | 1960 and later | .700000 |
| 1943 through 1954 | .750000 | | |

## Subpart 51B1.2  Worksheets

*Section 51B1.2-1  Blank Computation Worksheets for Local Reproduction*

**Worksheet for Computing Retiree Annuity Supplement**

| Retiree's Name | Date of Birth | Year Annuity Supplement Begins | Retirement Date |
|---|---|---|---|
| | | | |

**Part 1 Earnings Ratio (complete only if needed)**

| A. | Basic Earnings during first full calendar year under FERS* | $ |
|---|---|---|
| B. | National Average Wages for first full calendar year under FERS** | $ |
| C. | Earnings Ratio (divide line A by line B) | |

**Part 2  Benefit Computation**

| A (Amounts in parentheses are Maximum Taxable Wage Base.) Year | B Actual Pay Col. 1 x Col. 2 = Col. 3 | | | C Deemed Pay Col. 1 x Col. 2 = Col. 3 | | | D Index Factor*** | E Indexed Earnings |
|---|---|---|---|---|---|---|---|---|
| | Contri-butions | Conversion Factor | Actual Pay* | National Average Wages** | Earnings Ratio | Deemed Pay* | | |
| 1951 ($3,600) | | | | | | | | |
| 1952 ($3,600) | | | | | | | | |
| 1953 ($3,600) | | | | | | | | |
| 1954 ($3,600) | | | | | | | | |
| 1955 ($4,200) | | | | | | | | |
| 1956 ($4,200) | | | | | | | | |
| 1957 ($4,200) | | | | | | | | |
| 1958 ($4,200) | | | | | | | | |
| 1959 ($4,800) | | | | | | | | |
| 1960 ($4,800) | | | | | | | | |
| 1961 ($4,800) | | | | | | | | |
| 1962 ($4,800) | | | | | | | | |
| 1963 ($4,800) | | | | | | | | |
| 1964 ($4,800) | | | | | | | | |
| 1965 ($4,800) | | | | | | | | |
| 1966 ($6,600) | | | | | | | | |
| 1967 ($6,600) | | | | | | | | |
| 1968 ($7,800) | | | | | | | | |

| A (Amounts in parentheses are Maximum Taxable Wage Base.) Year | B Actual Pay | | | C Deemed Pay | | | D Index Factor*** | E Indexed Earnings |
|---|---|---|---|---|---|---|---|---|
| | Col. 1 x Col. 2 = Col. 3 | | | Col. 1 x Col. 2 = Col. 3 | | | | |
| | Contri-butions | Conversion Factor | Actual Pay* | National Average Wages** | Earnings Ratio | Deemed Pay* | | |
| 1969 ($7,800) | | | | | | | | |
| 1970 ($7,800) | | | | | | | | |
| 1971 ($7,800) | | | | | | | | |
| 1972 ($9,000) | | | | | | | | |
| 1973 ($10,800) | | | | | | | | |
| 1974 ($13,200) | | | | | | | | |
| 1975 ($14,100) | | | | | | | | |
| 1976 ($15,300) | | | | | | | | |
| 1977 ($16,500) | | | | | | | | |
| 1978 ($17,700) | | | | | | | | |
| 1979 ($22,900) | | | | | | | | |
| 1980 ($25,900) | | | | | | | | |
| 1981 ($29,700) | | | | | | | | |
| 1982 ($32,400) | | | | | | | | |
| 1983 ($35,700) | | | | | | | | |
| 1984 ($37,800) | | | | | | | | |
| 1985 ($39,600) | | | | | | | | |
| 1986 ($42,000) | | | | | | | | |
| 1987 ($43,800) | | | | | | | | |
| 1988 ($45,000) | | | | | | | | |
| 1989 ($48,000) | | | | | | | | |
| 1990 ($51,300) | | | | | | | | |
| 1991 ($53,400) | | | | | | | | |
| 1992 ($55,500) | | | | | | | | |
| 1993 ($57,600) | | | | | | | | |
| 1994 ($60,000) | | | | | | | | |
| 1995 ($61,200) | | | | | | | | |
| 1996 ($62,700) | | | | | | | | |

| A (Amounts in parentheses are Maximum Taxable Wage Base.) Year | B Actual Pay | | | C Deemed Pay | | | D Index Factor*** | E Indexed Earnings |
|---|---|---|---|---|---|---|---|---|
| | Col. 1 x Col. 2 = Col. 3 | | | Col. 1 x Col. 2 = Col. 3 | | | | |
| | Contri-butions | Conversion Factor | Actual Pay* | National Average Wages** | Earnings Ratio | Contri-butions | | |
| 1997 ($65,400) | | | | | | | | |
| 1998 ($68,400) | | | | | | | | |
| 1999 ($72,600) | | | | | | | | |
| 2000 ($76,200) | | | | | | | | |
| 2001 ($80,400) | | | | | | | | |
| 2002 ($84,900) | | | | | | | | |
| 2003 ($87,000) | | | | | | | | |
| 2004 ($87,900) | | | | | | | | |
| 2005 ($90,000) | | | | | | | | |
| 2006 ($94,200) | | | | | | | | |
| 2007 ($97,500) | | | | | | | | |
| 2008 ($102,000) | | | | | | | | |
| 2009 ($106,800) | | | | | | | | |
| 2010 ($106,800) | | | | | | | | |
| 2011 ($106,800) | | | | | | | | |
| 2012 ($110,100( | | | | | | | | |
| 2013 ($113,700) | | | | | | | | |
| 2014 ($117,000) | | | | | | | | |
| 2015 ($118,500) | | | | | | | | |
| 2016 ($118,500) | | | | | | | | |
| 2017 ($127,200) | | | | | | | | |
| 2018 ($128,400) | | | | | | | | |
| 2019 ($132,900) | | | | | | | | |
| 2020 ($137,700) | | | | | | | | |
| 2021 ($142,800) | | | | | | | | |
| 2022 ($147,000) | | | | | | | | |
| Mark out 5 lowest years in Column E and enter the total of the remaining years of indexed earnings from Column E. | | | | | | | | |

* Amount used should not exceed Social Security maximum wage base for applicable year.  See Table A.
** Use average total wage for applicable year.  See Table B.
*** See Table C for current year factors.

**Part III.  Compute Estimated Social Security Benefit**

**1.  Determine the number of years to be used in the computation.**

a.  Enter the year in which the annuity supplement will begin ...................................

b.  Subtract 1951 or the year in which the individual attained age 22,
whichever is later ........................................................................................ -

c.  Enter the number of elapsed years ................................................................ =

d.  Subtract 5 years ........................................................................................... -

e.  Total years used in computation ................................................................... =

**2.  Determine Average Indexed Monthly Earnings (AIME).**

a.  Total Indexed Earnings (from Column E) ............................................... $

b.  Enter the number of months in years included in Total Indexed Earnings
(number of years from line 1e times 12) ..................................................

c.  AIME (divide line 2a by 2b and round to the next lower dollar) ........................... $

**3.  Calculate the Primary Insurance Amount (PIA).**

a.  Calculate the PIA using the following formula.

| For Annuity Supplement Commencing In | Amount of AIME to Be Used | PIA Formula |
|---|---|---|
| | Up through  $ <br> From      $_____ through <br> $ <br> $_____  and over | 90% of amount <br> $_____ + 32% of amount <br> $_____ + 15% of amount |

PIA  ....................................................................................................................... $

**3.  Calculate the Primary Insurance Amount (PIA) (Continued).**

b.  Enter the amount calculated on 3a, rounded down to the next lower
multiple of $0.10 (if not already a multiple of $0.10) ........................................... $

c.  Enter Reduction Factor (from Table E on page 27) ............................................. x

  d.  **Estimated Social Security Benefit.**  Multiply line 3b by line 3c,
      and round to the next lower dollar .......................................................... = $ _____

**4.  Calculate Portion of Estimated Social Security Benefit Attributable to FERS Service.**

  a.  Enter total years of FERS civilian service (rounded
      to nearest whole number) ........................................................................    _____

  b.  Determine multiplier (divide line 4a by 40) ...........................................    _____

  c.  Enter Estimated Social Security Benefit (from line 3d) ........................ x  _____

  d.  **Monthly Retiree Annuity Supplement**.  Multiply line 4c by
      the multiplier in line 4b, and round to the next lower dollar ................. = $ _____

### Subpart 51B1.3  Computation

*Section 51B1.3-1  Computation Examples*

This section contains the following sample computations:

**Example 1:  Transferee** (See pages 35-39)

Thomas Schmidt was appointed to Federal service July 16, 1978, and worked continuously under CSRS until July 1987.  In July 1987, Thomas transferred to FERS during the open season.  Consequently, his first full calendar year under FERS was 1988.  His basic pay for 1988 was $52,138.  Thomas retired November 30, 2020.

**Example 2:  Transferee Whose CSRS Offset Service Converts to FERS Service Upon Transfer** (See pages 40-43)

Dennis Meisner was first appointed to Federal service September 28, 1976.  He worked continuously under CSRS until his separation on February 12, 1982.  He returned to Federal service on January 8, 1984, and was placed in the Interim Plan.  On January 1, 1987, he was covered under the CSRS Offset plan.  Dennis transferred to FERS effective July 20, 1987.

Upon transfer, all of his CSRS Offset and Interim service became FERS service.  As a result, Dennis' first full calendar year of creditable FERS service was 1985.  His basic pay for 1985 was $19,511.

Dennis retired September 30, 2015.

**Example 3:  Employee who Retires Under Discontinued Service Retirement Provisions and Receives Retiree Annuity Supplement at the MRA** (See pages 44-47)

Lawrence Kasdan was appointed to Federal service September 1, 1994. His first full calendar year under FERS was 1995 and his basic pay was $45,000.

Lawrence was involuntarily separated and applied for discontinued service retirement on August 31, 2020.  At retirement he was age 55 years and 4 months.  Because he retired under the provisions for involuntary retirement, he is not eligible to receive the retiree annuity supplement until he attains his minimum retirement age (56 and 2 months).

*Section 51B1.3-2  Example 1*

**Example 1  Worksheet for Computing Retiree Annuity Supplement**

| Retiree's Name<br>Thomas Schmidt | Date of Birth<br>1-2-62 | Year Annuity Supplement Begins<br>2020 | Retirement Date<br>11-30-20 |
|---|---|---|---|

| Part 1 | Earnings Ratio (complete only if needed) | | |
|---|---|---|---|
| A. | Basic Earnings during first full calendar year under FERS* | $ 29,254.50 (1988) | |
| B. | National Average Wages for first full calendar year under FERS** | $ 19,334.04 (1988) | |
| C. | Earnings Ratio (divide line A by line B) | 1.5131085 | |

**Part 2  Benefit Computation**

| A<br>(Amounts in parentheses are Maximum Taxable Wage Base)<br><br>Year | B<br>Actual Pay<br>Col. 1 x Col. 2 = Col. 3 | | | C<br>Deemed Pay<br>Col. 1 x Col. 2 = Col. 3 | | | D<br><br>Index Factor*** | E<br><br>Indexed Earnings |
|---|---|---|---|---|---|---|---|---|
| | Contri-butions | Conversion Factor | Actual Pay* | National Average Wages** | Earnings Ratio | Deemed Pay* | | |
| 1984 ($37,800.00) | | | | 16,135.07 | 1.5131085 | 24,414.11 | 3.2318298 | 78,902.25 |
| 1985 ($39,600.00) | | | | 16,822.51 | 1.5131085 | 25,454.28 | 3.0997634 | 78,902.25 |
| 1986 ($42,000.00) | | | | 17,321.82 | 1.5131085 | 26,209.79 | 3.0104111 | 79,902.24 |
| 1987 ($43,800.00) | | | | 18,426.51 | 1.5131085 | 27,881.31 | 2.8299336 | 78,902.26 |
| 1988 ($45,000.00) | 275.00 | 106.38 | 29,254.50 | 19,334.04 | 1.5131085 | | 2.6970980 | 78,902.25 |
| 1989 ($48,000.00) | 300.00 | 106.38 | 31,914.00 | 20,099.55 | 1.5131085 | | 2.5943765 | 82,796.93 |
| 1990 ($51,300.00) | 325.00 | 125.00 | 40,625.00 | 21,027.98 | 1.5131085 | | 2.4798293 | 100,743.07 |
| 1991 ($53,400.00) | 350.00 | 125.00 | 43,750.00 | 21,811.60 | 1.5131085 | | 2.3907370 | 104,594.74 |
| 1992 ($55,500.00) | 375.00 | 125.00 | 46,875.00 | 22,935.42 | 1.5131085 | | 2.2735925 | 106,574.65 |
| 1993 ($57,600.00) | 400.00 | 125.00 | 50,000.00 | 23,132.67 | 1.5131085 | | 2.2542058 | 112,710.29 |
| 1994 ($60,600.00) | 425.00 | 125.00 | 53,125.00 | 23,753.53 | 1.5131085 | | 2.1952863 | 116,624.58 |
| 1995 ($61,200.00) | 450.00 | 125.00 | 56,250.00 | 24,705.66 | 1.5131085 | | 2.1106823 | 118,725.88 |
| 1996 ($62,700.00) | 475.00 | 125.00 | 59,375.00 | 25,913.90 | 1.5131085 | | 2.0122714 | 119,478.61 |
| 1997 ($65,400.00) | 500.00 | 125.00 | 62,500.00 | 27,426.00 | 1.5131085 | | 1.9013272 | 118,832.95 |
| 1998 ($68,400.00) | 525.00 | 125.00 | 65,625.00 | 28,861.44 | 1.5131085 | | 1.8067636 | 118,568.86 |
| 1999 ($72,600.00) | 550.00 | 95.24 | 52,382.00 | 30,469.84 | 1.5131085 | | 1.7113907 | 89,646.07 |
| 2000 ($76,200.00) | 575.00 | 83.33 | 47,914.75 | 32,154.82 | 1.5131085 | | 1.6217102 | 77,703.84 |
| 2001 ($80,400.00) | 600.00 | 125.00 | 75,000.00 | 32,921.92 | 1.5131085 | | 1.5839234 | 118,794.26 |

| A<br>(Amounts in parentheses are Maximum Taxable Wage Base.)<br><br>Year | B<br>Actual Pay<br>Col. 1 x Col. 2 = Col. 3 | | | C<br>Deemed Pay<br>Col. 1 x Col. 2 = Col. 3 | | | D<br><br>Index Factor*** | E<br><br>Indexed Earnings |
|---|---|---|---|---|---|---|---|---|
| | Contri-butions | Con-version Factor | Actual Pay* | National Average Wages** | Earnings Ratio | Deemed Pay* | | |
| 2002 ($84,900.00) | 625.00 | 125.00 | 78,125.00 | 33,252.09 | 1.5131085 | | 1.5681962 | 122,515.33 |
| 2003 ($87,000.00) | 650.00 | 125.00 | 81,250.00 | 34,064.95 | 1.5131085 | | 1.5307758 | 124,375.53 |
| 2004 ($87,900.00) | 675.00 | 125.00 | 84,375.00 | 35,648.55 | 1.5131085 | | 1.4627748 | 123,421.62 |
| 2005 ($90,000.00) | 700.00 | 125.00 | 87,500.00 | 36,952.94 | 1.5131085 | | 1.4111408 | 123,474.82 |
| 2006 ($94,200.00) | 725.00 | 125.00 | 90,625.00 | 38,651.41 | 1.5131085 | | 1.3491306 | 122,264.96 |
| 2007 ($97,500.00) | 750.00 | 125.00 | 93,750.00 | 40,405.48 | 1.5131085 | | 1.2905626 | 120,990.24 |
| 2008 ($102,000.00) | 775.00 | 125.00 | 96,875.00 | 41,334.97 | 1.5131085 | | 1.2905626 | 122,211.88 |
| 2009 ($106,800.00) | 800.00 | 125.00 | 100,000.00 | 40,711.61 | 1.5131085 | | 1.2615420 | 128,085.82 |
| 2010 ($106,800.00) | 825.00 | 125.00 | 103,125.00 | 41,673.83 | 1.5131085 | | 1.2808582 | 129,038.67 |
| 2011 ($106,800.00) | 850.00 | 125.00 | 106,250.00 | 42,979.61 | 1.5131085 | | 1.2132683 | 128,909.76 |
| 2012 ($110,100.00) | 875.00 | 125.00 | 109,375.00 | 44,321.67 | 1.5131085 | | 1.1765306 | 128,683.03 |
| 2013 ($113,700.00) | 900.00 | 125.00 | 112,500.00 | 44,888.16 | 1.5131085 | | 1.1616827 | 130,689.30 |
| 2014 ($117,000.00) | 925.00 | 125.00 | 115,625.00 | 46,481.52 | 1.5131085 | | 1.1218609 | 129,715.17 |
| 2015 ($118,500.00) | 950.00 | 125.00 | 118,750.00 | 48,098.63 | 1.5131085 | | 1.0841431 | 128,470.96 |
| 2016 ($118,500.00) | 975.00 | 125.00 | 121,875.00 | 48,642.15 | 1.5131085 | | 1.0720291 | 127,035.45 |
| 2017 ($127,200.00) | 1000.00 | 125.00 | 125,000.00 | 50,321.89 | 1.5131085 | | 1.0362449 | 129,530.61 |
| 2018 ($128,400.00) | 1025.00 | 125.00 | 128,125.00 | 52,145.80 | 1.5131085 | | 1.0000000 | 128,125.00 |
| 2019 ($132,900.00) | 1050.00 | 125.00 | 131,250.00 | 54,099.99 | 1.5131085 | | 1.0000000 | 131,250.00 |
| 2020 ($137.700.00) | | | | | | | | |
| 2021 ($142,800.00) | | | | | | | | |
| 2022 ($147.000.00) | | | | | | | | |
| Mark out 5 lowest years in Column E and enter the total of the remaining years of indexed earnings from Column E. | | | | | | | | 3,665,781.30 |

\* Amount used should not exceed Social Security maximum wage base for applicable year. See Table A.
\*\* Use average total wage for applicable year. See Table B
\*\*\* See Table C for current year factors.

**Part III.  Compute Estimated Social Security Benefit**

**1.  Determine the number of years to be used in the computation.**

    a.   Enter the year in which the annuity supplement will begin ...................................     2020

    b.   Subtract 1951 or the year in which the individual attained age 22,
        whichever is later .................................................................................... -     1984

    c.   Enter the number of elapsed years ................................................. =     36

    d.   Subtract 5 years.................................................................................... -     5

    e.   Total years used in computation ................................................. =     31

**2.  Determine Average Indexed Monthly Earnings (AIME).**

    a.   Total Indexed Earnings (from Column E) ............................................. $   3,665,781.30

    b.   Enter the number of months in years included in Total Indexed Earnings
        (number of years from line 1e times 12) ...............................................     372

    c.   AIME (divide line 2a by 2b and round to the next lower dollar)........................... $     9,854

**3.  Calculate the Primary Insurance Amount (PIA).**

    a.   Calculate the PIA using the following formula.

| For Annuity Supplement Commencing In | Amount of AIME to Be Used | PIA Formula |
|---|---|---|
| 2020 | Up through $960 | 90% of amount ($960 x .90 =$864.00) |
| | From $961 through $5,785 | $864.00 + 32% of amount ($864.00 + ($4,825 x .32 = $1544.00) = $2,408.00) |
| | $5,786 and over | $2,408.00 + 15% of amount ($2,408.00 + (9,854 - $5,786 = $4,069 x .15 = $610.35) = 3,018.35) |

    PIA  ................................................................................................................. $ 3,018.35

    b.   Enter the amount calculated on 3a, rounded down to the next lower multiple
        of $0.10 (if not already a multiple of $0.10)........................................... $     3,018.30

    c.   Enter Reduction Factor (from Table E on page 27)................................. x     .700000

    d.   **Estimated Social Security Benefit.**  Multiply line 3b by line 3c,

        and round to the next lower dollar ....................................................... = $     2,112

**4.  Calculate Portion of Estimated Social Security Benefit Attributable to FERS Service.**

    a.   Enter total years of FERS civilian service (rounded
        to nearest whole number) .....................................................................     33

    b.   Determine multiplier (divide line 4a by 40)............................................     .825000

    c.   Enter Estimated Social Security Benefit (from line 3d)........................................ x $     2,112

    d.   **Monthly Retiree Annuity Supplement.**  Multiply line 4c by
        the multiplier in line 4b, and round to the next lower dollar ................................. = $     1,742

### Section 51B1.3-3  Example 2

**Example 2  Worksheet for Computing Retiree Annuity Supplement**

| Retiree's Name<br>Dennis Meisner | Date of Birth<br>3-25-1955 | Year Annuity Supplement Begins<br>2015 | Retirement Date<br>9/30/2015 |
|---|---|---|---|

| Part 1 | Earnings Ratio (complete only if needed) | |
|---|---|---|
| A. | Basic Earnings during first full calendar year under FERS* | $ 19,511.53 (1985) |
| B. | National Average Wages for first full calendar year under FERS** | $ 16,822.51 (1985) |
| C. | Earnings Ratio (divide line A by line B) | 1.1598465 |

**Part 2  Benefit Computation**

| A<br>(Amounts in parentheses are Maximum Taxable Wage Base.)<br><br>Year | B<br>Actual Pay<br>Col. 1 x Col. 2 = Col. 3 | | | C<br>Deemed Pay<br>Col. 1 x Col. 2 = Col. 3 | | | D<br><br>Index Factor*** | E<br><br>Indexed Earnings |
|---|---|---|---|---|---|---|---|---|
| | Contri-butions | Con-version Factor | Actual Pay* | National Average Wages** | Earnings Ratio | Deemed Pay* | | |
| 1977 ($16,500.00) | | | | 9,779.44 | 1.1598465 | 11,342.65 | 4.5900542 | 52,063.38 |
| 1978 ($17,700.00) | | | | 10,556.03 | 1.1598465 | 12,243.37 | 4.2523714 | 52,063.36 |
| 1979 ($22,900.00) | | | | 11,479.46 | 1.1598465 | 13,314.41 | 3.9103024 | 52,063.37 |
| 1980 ($25,900.00) | | | | 12,513.46 | 1.1598465 | 14,513.69 | 3.5871901 | 52,063.37 |
| 1981 ($29,700.00) | | | | 13,773.10 | 1.1598465 | 15,974.68 | 3.2591181 | 52,063.37 |
| 1982 ($32,400.00) | | | | 14,531.34 | 1.1598465 | 16,854.12 | 3.0890585 | 52,063.36 |
| 1983 ($35,700.00) | | | | 15,239.24 | 1.1598465 | 17,675.18 | 2.9455642 | 52,063.38 |
| 1984 ($37,800.00) | | | | 16,135.07 | 1.1598465 | 18,714.20 | 2.7820245 | 52,063.36 |
| 1985 ($39,600.00) | 253.66 | 76.92 | 19,511.53 | 16,822.51 | 1.1598465 | | 2.6683390 | 52,063.38 |
| 1986 ($42,000.00) | 278.91 | 76.92 | 21,453.76 | 17,321.82 | 1.1598465 | | 2.5914228 | 55,595.76 |
| 1987 ($43,800.00) | 304.16 | 76.92 | 23,395.99 | 18,426.51 | 1.1598465 | | 2.4360641 | 56,994.13 |
| 1988 ($45,000.00) | 329.41 | 106.38 | 35,042.64 | 19,334.04 | 1.1598465 | | 2.3217165 | 81,359.08 |
| 1989 ($48,000.00) | 354.66 | 106.38 | 37,728.73 | 20,099.55 | 1.1598465 | | 2.2332918 | 84,259.26 |
| 1990 ($51,300.00) | 379.91 | 125.00 | 47,488.75 | 21,027.98 | 1.1598465 | | 2.1346872 | 101,373.63 |
| 1991 ($53,400.00) | 405.16 | 125.00 | 50,645.00 | 21,811.60 | 1.1598465 | | 2.0579948 | 104,227.15 |
| 1992 ($55,500.00) | 430.41 | 125.00 | 53,801.25 | 22,935.42 | 1.1598465 | | 1.9571545 | 105,297.36 |
| 1993 ($57,600.00) | 455.66 | 125.00 | 56,957.50 | 23,132.67 | 1.1598465 | | 1.9404660 | 110,524.09 |

| A (Amounts in parentheses are Maximum Taxable Wage Base.) Year | B Actual Pay Col. 1 x Col. 2 = Col. 3 | | | C Deemed Pay Col. 1 x Col. 2 = Col. 3 | | | D Index Factor*** | E Indexed Earnings |
|---|---|---|---|---|---|---|---|---|
| | Contributions | Conversion Factor | Actual Pay* | National Average Wages** | Earnings Ratio | Deemed Pay* | | |
| 1994 ($60,600.00) | 480.91 | 125.00 | 60,113.75 | 23,753.53 | 1.1598465 | | 1.8897469 | 113,599.77 |
| 1995 ($61,200.00) | 506.16 | 125.00 | 63,270.00 | 24,705.66 | 1.1598465 | | 1.8169181 | 111,195.39 |
| 1996 ($62,700.00) | 531.41 | 125.00 | 66,426.25 | 25,913.90 | 1.1598465 | | 1.7322040 | 108,609.19 |
| 1997 ($65,400.00) | 556.66 | 125.00 | 69,582.50 | 27,426.00 | 1.1598465 | | 1.6367009 | 107,040.24 |
| 1998 ($68,400.00) | 581.91 | 125.00 | 72,738.75 | 28,861.44 | 1.1598465 | | 1.5552987 | 106,382.43 |
| 1999 ($72,600.00) | 607.16 | 95.24 | 57,825.92 | 30,469.84 | 1.1598465 | | 1.4731997 | 85,189.13 |
| 2000 ($76,200.00) | 632.41 | 83.33 | 52,698.73 | 32,154.82 | 1.1598465 | | 1.3960010 | 73,567.48 |
| 2001 ($80,400.00) | 657.66 | 125.00 | 82,207.50 | 32,921.92 | 1.1598465 | | 1.3634733 | 109,623.25 |
| 2002 ($84,900.00) | 682.91 | 125.00 | 85,363.75 | 33,252.09 | 1.1598465 | | 1.3499350 | 114,609.48 |
| 2003 ($87,000.00) | 708.16 | 125.00 | 88,520.00 | 34,064.95 | 1.1598465 | | 1.3177228 | 114,641.88 |
| 2004 ($87,900.00) | 733.41 | 125.00 | 91,676.25 | 35,648.55 | 1.1598465 | | 1.2591861 | 110,682.46 |
| 2005 ($90,000.00) | 758.66 | 125.00 | 94,832.50 | 36,952.94 | 1.1598465 | | 1.2147385 | 109,326.47 |
| 2006 ($94,200.00) | 783.91 | 125.00 | 97,988.75 | 38,651.41 | 1.1598465 | | 1.1613589 | 109,400.01 |
| 2007 ($97,500.00) | 809.16 | 125.00 | 101,145.00 | 40,405.48 | 1.1598465 | | 1.1109424 | 108,316.88 |
| 2008 ($102,000.00) | 834.41 | 125.00 | 104,301.25 | 41,334.97 | 1.1598465 | | 1.0859609 | 110,768.01 |
| 2009 ($106,800.00) | 859.66 | 125.00 | 107,457.50 | 40,711.61 | 1.1598465 | | 1.1025887 | 117,756.47 |
| 2010 ($106,800.00) | 884.91 | 125.00 | 110,613.75 | 41,673.83 | 1.1598465 | | 1.0771307 | 115,037.56 |
| 2011 ($106,800.00) | 910.16 | 125.00 | 113,770.00 | 42,979.61 | 1.1598465 | | 1.0444059 | 111,542.55 |
| 2012 ($110,100.00) | 935.41 | 125.00 | 116,926.25 | 44,321.67 | 1.1598465 | | 1.0127813 | 111,507.22 |
| 2013 ($113,700.00) | 960.66 | 125.00 | 120,082.50 | 44,888.16 | 1.1598465 | | 1.0000000 | 113,700.00 |
| 2014 ($117,000.00) | 985.91 | 125.00 | 123,238.75 | 46,481.52 | 1.1598465 | | 1.0000000 | 117,000.00 |
| 2015 ($118,500.00) | | | | | | | | |
| 2016 ($118,500.00) | | | | | | | | |
| Mark out 5 lowest years in Column E and enter the total of the remaining years of indexed earnings from Column E. | | | | | | | | 3,187,379.84 |

* Amount used should not exceed Social Security maximum wage base for applicable year.  See Table A.
** Use average total wage for applicable year.  See Table B.
*** See Table C for current year factors.

**Part III.  Compute Estimated Social Security Benefit**

**1. Determine the number of years to be used in the computation.**

 a. Enter the year in which the annuity supplement will begin ...................................    2015

 b. Subtract 1951 or the year in which the individual attained age 22,
   whichever is later.................................................................................................. -   1977

 c. Enter the number of elapsed years ................................................................. = 38

 d. Subtract 5 years.............................................................................................. -    5

 e. Total years used in computation ..................................................................... = 33

**2. Determine Average Indexed Monthly Earnings (AIME)**

 a. Total Indexed Earnings (from Column E) .......................................................... $ 3,187,379.84

 b. Enter the number of months in years included in Total Indexed Earnings
   (number of years from line 1e times 12) ..............................................................    396

 c. AIME (divide line 2a by 2b and round to the next lower dollar)........................... $   8,048

**3. Calculate the Primary Insurance Amount (PIA).**

 a. Calculate the PIA using the following formula.

| For Annuity Supplement Commencing In | Amount of AIME to Be Used | PIA Formula |
|---|---|---|
| 2015 | Up through $826<br>From $827 through $4,980<br>$4,981 and over | 90% of amount<br>$743.40 + 32% of amount<br>$2,072.68 + 15% of amount |

 PIA  ............................................................................................................... $ 2,532.80

 b. Enter the amount calculated on 3a, rounded down to the next lower
   multiple of $.10 (if not already a multiple of $.10).............................................. $ 2,532.80

 c. Enter Reduction Factor (from Table E on page 27)............................................ x .741667

 d. **Estimated Social Security Benefit.**  Multiply line 3b by line 3c,
   and round to the next lower dollar ........................................................................ = $  1,878

**4. Calculate Portion of Estimated Social Security Benefit Attributable to FERS Service.**

 a. Enter total years of FERS civilian service (rounded
   to nearest whole number) ......................................................................................    32

 b. Determine multiplier (divide line 4a by 40) .......................................................... .800000

 c. Enter Estimated Social Security Benefit (from line 3d) ........................................ x   1,878

 d. **Monthly Retiree Annuity Supplement.**  Multiply line 4c by
   the multiplier in line 4b, and round to the next lower dollar .................................. = $  1,502

*Section 51B1.3-4  Example 3*

**Example 3  Worksheet for Computing Retiree Annuity Supplement**

| Retiree's Name Lawrence Kasdan | Date of Birth 04-23-65 | Year Annuity Supplement Begins 2021 | Retirement Date 8-31-20 |
|---|---|---|---|

| **Part 1** | **Earnings Ratio (complete only if needed)** | |
|---|---|---|
| A. | Basic Earnings during first full calendar year under FERS* | $ 45,000.00 (1995) |
| B. | National Average Wages for first full calendar year under FERS** | $ 24,705.66 (1995) |
| C. | Earnings Ratio (divide line A by line B) | 1.8214450 |

**Part 2  Benefit Computation**

| A (Amounts in parentheses are Maximum Taxable Wage Base.) Year | B Actual Pay Col. 1 x Col. 2 = Col. 3 | | | C Deemed Pay Col. 1 x Col. 2 = Col. 3 | | | D Index Factor*** | E Indexed Earnings |
|---|---|---|---|---|---|---|---|---|
| | Contri-butions | Con-version Factor | Actual Pay* | National Average Wages** | Earnings Ratio | Deemed Pay* | | |
| 1987 ($42,000.00) | | | | 18,426.51 | 1.8214450 | 33,562.87 | 2.9359868 | 98,540.14 |
| 1988 ($45,000.00) | | | | 19,334.04 | 1.8214450 | 35,215.89 | 2.7981731 | 98,540.16 |
| 1989 ($48,000.00) | | | | 20,099.55 | 1.8214450 | 36,610.22 | 2.6916021 | 98,540.15 |
| 1990 ($51,300.00) | | | | 21,027.98 | 1.8214450 | 38,301.31 | 2.5727621 | 98,540.16 |
| 1991 ($53,400.00) | | | | 21,811.60 | 1.8214450 | 39,728.63 | 2.4803311 | 98,540.16 |
| 1992 ($55,500.00) | | | | 22,935.42 | 1.8214450 | 41,775.61 | 2.3587966 | 98,540.17 |
| 1993 ($57,600.00) | | | | 23,132.67 | 1.8214450 | 42,134.89 | 2.3386833 | 98,540.16 |
| 1994 ($60,600.00) | | | | 23,753.53 | 1.8214450 | 43,265.75 | 2.2775558 | 98,540.16 |
| 1995 ($61,200.00) | 360.00 | 125.00 | 45,000.00 | 24,705.66 | 1.8214450 | | 2.1897812 | 98,540.15 |
| 1996 ($62,700.00) | 380.00 | 125.00 | 47,500.00 | 25,913.90 | 1.8214450 | | 2.0876823 | 91,164.91 |
| 1997 ($65,400.00) | 400.00 | 125.00 | 50,000.00 | 27,426.00 | 1.8214450 | | 1.9725804 | 98,629.02 |
| 1998 ($68,400.00) | 420.00 | 125.00 | 52,500.00 | 28,861.44 | 1.8214450 | | 1.8744730 | 98,409.83 |
| 1999 ($72,600.00) | 440.00 | 95.24 | 41,905.60 | 30,469.84 | 1.8214450 | | 1.7755259 | 74,404.48 |
| 2000 ($76,200.00) | 460.00 | 83.33 | 38,331.80 | 32,154.82 | 1.8214450 | | 1.6824846 | 64,492.66 |
| 2001 ($80,400.00) | 480.00 | 125.00 | 60,000.00 | 32,921.92 | 1.8214450 | | 1.6432817 | 98,596.90 |
| 2002 ($84,900.00) | 500.00 | 125.00 | 62,500.00 | 33,252.09 | 1.8214450 | | 1.6269651 | 101,685.32 |
| 2003 ($87,000.00) | 520.00 | 125.00 | 65,000.00 | 34,064.95 | 1.8214450 | | 1.5881424 | 103,229.26 |
| 2004 ($87,900.00) | 540.00 | 125.00 | 67,500.00 | 35,648.55 | 1.8214450 | | 1.5175930 | 102,437.53 |
| 2005 ($90,000.00) | 560.00 | 125.00 | 70,000.00 | 36,952.94 | 1.8214450 | | 1.4640240 | 102,481.68 |

| A (Amounts in parentheses are Maximum Taxable Wage Base.) Year | B Actual Pay Col. 1 x Col. 2 = Col. 3 | | | C Deemed Pay Col. 1 x Col. 2 = Col. 3 | | | D Index Factor*** | E Indexed Earnings |
|---|---|---|---|---|---|---|---|---|
| | Contributions | Conversion Factor | Actual Pay* | Average Total Wages** | Earnings Ratio | Deemed Pay* | | |
| 2006 ($94,200.00) | 580.00 | 125.00 | 72,500.00 | 38,651.41 | 1.8214450 | | 1.3996899 | 101,477.52 |
| 2007 ($97,500.00) | 600.00 | 125.00 | 75,000.00 | 40,405.48 | 1.8214450 | | 1.3389270 | 100,419.53 |
| 2008 ($102,000.00) | 620.00 | 125.00 | 77,500.00 | 41,334.97 | 1.8214450 | | 1.3088189 | 101,433.46 |
| 2009 ($106,800.00) | 640.00 | 125.00 | 80,000.00 | 40,711.61 | 1.8214450 | | 1.3288590 | 106,308.72 |
| 2010 ($106,800.00) | 660.00 | 125.00 | 82,500.00 | 41,673.83 | 1.8214450 | | 1.2981766 | 107,099.57 |
| 2011 ($106,800.00) | 680.00 | 125.00 | 85,000.00 | 42,979.61 | 1.8214450 | | 1.2587362 | 106,992.58 |
| 2012 ($110,100.00) | 700.00 | 125.00 | 87,500.00 | 44,321.67 | 1.8214450 | | 1.2206217 | 106,804.40 |
| 2013 ($113,700.00) | 720.00 | 125.00 | 90,000.00 | 44,888.16 | 1.8214450 | | 1.2052174 | 108,469.57 |
| 2014 ($117,000.00) | 740.00 | 125.00 | 92,500.00 | 46,481.52 | 1.8214450 | | 1.1639032 | 107,661.05 |
| 2015 ($118,500.00) | 760.00 | 125.00 | 95,000.00 | 48,098.63 | 1.8214450 | | 1.1247720 | 106,853.34 |
| 2016 ($118,500.00) | 780.00 | 125.00 | 97,500.00 | 48,642.15 | 1.8214450 | | 1.1122039 | 108,439.88 |
| 2017 ($127,200.00) | 800.00 | 125.00 | 100,000.00 | 50,321.89 | 1.8214450 | | 1.0750787 | 107,507.87 |
| 2018 ($128,400.00) | 820.00 | 125.00 | 102,500.00 | 52,145.80 | 1.8214450 | | 1.0374755 | 106,341.24 |
| 2019 ($132,900.00) | 840.00 | 125.00 | 105,000.00 | 54,099.99 | 1.8214450 | | 1.000000 | 105,000.00 |
| 2020 ($137,700.00) | 573.33 | 125.00 | 71,666.25 | 54,099.99 | 1.8214450 | | 1.000000 | 71,666.25 |
| 2021 ($142,800.00) | | Not Used | Not Used | 54099.99 | 1.8214450 | | 1.000000 | Not Used |
| Mark out 5 lowest years in Column E and enter the total of the remaining years of indexed earnings from Column E. | | | | | | | | 2,975,354.62 |

\* Amount used should not exceed Social Security maximum wage base for applicable year. See Table A.
\*\* Use average total wage for applicable year. See Table B.
\*\*\* See Table C for current year factors

**Part III.  Compute Estimated Social Security Benefit**

**1. Determine the number of years to be used in the computation.**

a.   Enter the year in which the annuity supplement will begin ................................... 2021

b.   Subtract 1951 or the year in which the individual attained age 22,

whichever is later .................................................................................................- 1987

c.   Enter the number of elapsed years .......................................................................= 34

d.   Subtract 5 years .................................................................................................- 5

e.   Total years used in computation ..........................................................................= 29

**2.  Determine Average Indexed Monthly Earnings (AIME).**

a.   Total Indexed Earnings (from Column E)............................................................$ 2,975,354.62

b.    Enter the number of months in years included in Total Indexed Earnings
(number of years from line 1e times 12) ............................................................. 348

c.   AIME (divide line 2a by 2b and round to the next lower dollar)............................ $ 8,549

**3.  Calculate the Primary Insurance Amount (PIA).**

a.   Calculate the PIA using the following formula.

| For Annuity Supplement Commencing In | Amount of AIME to Be Used | PIA Formula |
|---|---|---|
| 2021 | Up through $996 From $997 through $6,002 $6,003 and over | 90% of amount $896.40+ 32% of amount $ 2,498.32 + 15% of amount |

PIA.................................................................................................... $ 2,880.37

b.   Enter the amount calculated on 3a, rounded down to the next lower
multiple of $.10 (if not already a multiple of $.10) ...........................................$ 2,880.30

c.   Enter Reduction Factor (from Table E on page 27) ..............................................x .700000

d.    **Estimated Social Security Benefit.**  Multiply line 3b by line 3c,
and round to the next lower dollar.....................................................................= $ 2,016

**4.  Calculate Portion of Estimated Social Security Benefit Attributable to FERS Service.**

a.   Enter total years of FERS civilian service (rounded
to nearest whole number) ................................................................................. 26

b.   Determine multiplier (divide line 4a by 40)......................................................... 0.650000

c.   Enter Estimated Social Security Benefit (from line 3d)........................................x $ 2,016

d.   **Monthly Retiree Annuity Supplement.**  Multiply line 4c by
the multiplier in line 4b, and round to the next lower dollar.................................= $ 1,310