Department of Defense

Displaced Employee Guide
Benefit and Entitlement Information

Civilian Personnel Management Service

May 2002

FOREWORD

This Guide replaces the previous version, dated July 1999. It complies with the general information requirements contained in title 5 Code of Federal Regulations (CFR) 351.803 and is intended to provide employees adversely affected by reduction in force (RIF), transfer of function (TOF), base closure, and other realignment actions with basic benefit, retirement, and entitlement information.

Department of Defense activities must ensure that a copy of this Guide is provided to all employees adversely affected by RIF or TOF, and those entitled to grade retention. The Guide must be provided to each employee with his or her specific notice of separation or change to lower grade. Local reproduction of the document is authorized. Activities must insert a copy of the Merit Systems Protection Board (MSPB) Appeals Regulations, at Attachment A, when issuing this document.

Recommended revisions, corrections, or changes should be submitted through DoD Component channels to the Chief, Civilian Assistance and Re-Employment (CARE) Division, Civilian Personnel Management Service (CPMS). A copy of this document is available on the CPMS CARE website: http://www.cpms.osd.mil/.

DEPARTMENT OF DEFENSE

DISPLACED EMPLOYEE GUIDE

BENEFIT AND ENTITLEMENT INFORMATION

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DEPARTMENT OF DEFENSE

DISPLACED EMPLOYEE GUIDE

A. PURPOSE

This Guide provides important information to you as an employee who is or will be adversely affected by Reduction in Force (RIF) or Transfer of Function (TOF). It complies with the employee general information requirements contained in 5 CFR 351.803 and Department of Defense agencies must ensure that a copy of this document is provided with your specific RIF or TOF notice. This information is not intended to be all-inclusive, and it neither amends nor supersedes Federal regulations or DoD policies and procedures. As its name suggests, it is designed only as a "Guide." Your supporting human resources office must provide you in-depth RIF, TOF, benefits, and entitlements counseling, to include other outplacement, career transition and outreach advice and assistance.

B. SELF-HELP SUGGESTIONS

1. Placement assistance programs usually require a current, up-to-date and accurate Optional Form (OF) 612 (Optional Application for Federal Employment) or resume. When preparing the application or resume, you should be careful to completely describe your knowledges, skills, abilities, and competencies. Likewise, you should always make several copies so you can quickly register for placement programs or apply for available vacancies.

2. Prior to registration in placement assistance programs, you should carefully consider and determine your lowest acceptable grade level. If you are available for placement at lower grades, your opportunities for continuing your Federal career will be proportionately greater. (NOTE: If you enter a DoD position at a lower grade without a break in service and are otherwise eligible under the applicable regulation, your pay will be set in accordance with retained grade or retained pay rules. If you are placed through the Priority Placement Program (PPP) but are not eligible for grade or pay retention (e.g., if you are placed following a break in service), your last earned rate of pay will be preserved to the maximum extent possible permitted by law. In any event, your new employer's, if Federal, human resources office will be responsible for setting your pay in accordance with the applicable regulations.)

3. When registering for placement consideration outside your commuting area, you should gather as much information as possible on living conditions, e.g., climate, cost-of-living (including state and local taxes), housing costs, and schools. You should discuss these options with family members before indicating availability for other geographical areas, since relocation may require an adjustment on their part as well. Before accepting an offer in another geographic area, you should always determine whether relocation expenses will be paid, and by whom. If you indicate availability outside of your current commuting area, you should be ready to relocate on short notice.

4. You must keep your supporting human resources office advised concerning your whereabouts so you can be reached when job opportunities are available. Opportunities can be missed because of a one-day delay.

5. You should not depend solely on formal referral programs. You should "knock on doors" and be proactive in seeking employment. Although your supporting human resources office will take every possible action to provide continued employment, vacancies at other Department of Defense installations and other Federal agencies may be limited. By personally seeking employment, with public and private organizations, you avoid relying solely on someone else to secure your future.

6. Regardless of the manner (involuntary separation, retirement, resignation) by which you are leaving the Defense employment rolls, you may be eligible for unemployment compensation. You should contact your local State employment security agency as soon as you leave employment regarding any eligibility for benefits. If you are retiring, please see the retirement information in 7.e., below.

7. If you are eligible for retirement, it is prudent for you to make an appointment with:

a. Your supporting human resources office retirement counselor.

b. The Social Security Administration Office. You may be eligible for benefits.

c. The Internal Revenue Service. Income tax benefits are available to certain retirees.

d. The Department of Veterans Affairs. Employees who are veterans may be eligible to apply for certain benefits.

e. The state employment security agency. Some states offer benefits, including unemployment compensation, to individuals retiring because of downsizing actions. Your unemployment benefits, however, may be reduced based on the amount of your retirement annuity. The applicable state employment security agency will make any benefits eligibility determination.

C. PLACEMENT AND TRANSITION ASSISTANCE

DoD has earned a well-deserved reputation for making every effort to ensure continuing employment for those of us who are affected by adverse action. The Department administers several placement assistance programs to assist displaced employees in locating acceptable jobs. An overview of these programs is provided below.

1. **DoD Priority Placement Program (PPP).** The PPP is an automated referral program that is used to effect placements within DoD. The PPP is an independent outplacement program operated solely within the administrative authority of the Secretary of Defense. It should not be confused with the Reemployment Priority List, which is described at C.4.a. If you are facing involuntary separation, downgrade, or transfer of function, you are generally eligible to register

in the PPP for placement consideration at other DoD installations. However, once it is determined that you are entitled to receive severance pay benefits, you will be mandatorily registered for those DoD activities within your commuting area. Registration in the PPP does not guarantee you an offer of continued employment. Your placement can only occur when a vacancy matching your skill(s) (you must be well qualified) is being filled. Unless your registration is mandatory, you can select locations and grade levels for which you wish to be considered within program guidelines. Normally, when an installation has a "match," an offer is required. Use of the Automated Stopper and Referral System (ASARS) ensures your consideration within DoD. It is important to recognize that proper registration will minimize delays in the referral and placement process. Therefore, you should be prepared to discuss with your supporting human resources office: the types of positions for which you are well qualified and available; acceptable locations where you might be willing to relocate; and the grade level(s), below your current permanent grade, that you are willing to accept. Generally, you can remain in the program for the duration of the specific notice period and for up to 12 months after separation. During this period, placement in an appropriate position, declination of a valid offer, optional retirement, or your personal request will terminate your registration. You are only eligible for one valid offer through the PPP. If you accept a DoD position outside of your current commuting area, the government will pay related travel and transportation costs to your new location to the maximum extent permitted under the Department of Defense Joint Travel Regulations.

2. **DoD Retained Grade Placement Program (Program "R").** If you are an employee on a competitive or excepted appointment and are serving under grade retention as a result of RIF or job reclassification, you are required to register in this program. The area of referral for the duration of the retained grade period is your commuting area and normally must include all DoD installations within that area. However, if you were relocated through the PPP to your current DoD activity at government expense, registration is restricted to the new installation for one year from the effective date of the placement. If a valid and reasonable offer is made through this program, you must accept the written offer or lose your retained grade entitlement. Your supporting human resources office will provide counseling regarding Program "R."

3. **Defense Outplacement Referral System (DORS).** DORS is a voluntary referral system that is administered through the automated framework of the PPP. The purpose of DORS is to provide maximum placement opportunity for current DoD personnel and their spouses through referral to other DoD activities within the U.S. and/or overseas. Registration and placement through DORS is strictly voluntary. It should not be confused with the Department's mandatory placement program, the PPP.

4. **Local Placement Programs.** Contacts with local, Federal, state, and private employers are made by the installation in an effort to locate acceptable employment opportunities if you wish to remain in your local area. Additionally, if you have not previously declined a reasonable offer, you may request mandatory employment consideration through the Reemployment Priority List (RPL). If you are being separated by RIF, this program provides consideration for reemployment at DoD activities within your commuting area under rules prescribed by the Office of Personnel Management (OPM). You may also be eligible for positions with other

Federal agencies through the Interagency Career Transition Assistance Plan (ICTAP). More information on these programs is provided below.

a. **Reemployment Priority List (RPL).** The RPL is a government-wide program, required by law and subject to OPM regulations. While participation in the RPL is an additional opportunity for placement consideration, the program is totally separate from the DoD PPP. In order to be eligible to exercise your reemployment rights according to the OPM regulations, you must apply separately for the RPL. The following provides general RPL requirements and guidelines:

(1) If you are scheduled for RIF separation, you may be eligible to register in both the RPL and PPP.

(2) If you are an RPL registrant with career status, you will remain on the list for two years from the date of registration. If you have career-conditional status, you will remain on the list for one year.

(3) As long as you are on the RPL, you will be given priority consideration in filling vacancies for which you are qualified at all DoD activities within the commuting area.

(4) You will be deleted from the RPL under the following circumstances: upon your written request, when you accept full-time non-temporary Federal employment, or when you decline employment at a grade level equivalent to the one from which separated or scheduled to be separated.

(5) To be entered on the RPL, you must submit a Federal application or resume to your supporting human resources office within 30 calendar days of the RIF separation date.

(6) To be eligible to apply, you must meet all of the following conditions:

(a) Be in the competitive service in tenure group I or II;

(b) Have received a performance rating above unacceptable as the last annual performance rating of record;

(c) Have received a specific RIF notice of separation or a Certificate of Expected Separation (CES); and

(d) Have not declined a RIF offer with the same type of work schedule and a representative rate at least as high as that of the position from which you were or are being separated.

(7) If you believe that your reemployment priority rights under the RPL have been violated, you may appeal to the Merit Systems Protection Board under the regulations provided at Attachment A.

(NOTE: See 5 CFR, Part 330, Subpart B, for RPL rules.)

b. **Interagency Career Transition Assistance Plan (ICTAP)**. If you are displaced, ICTAP provides you priority consideration for positions in other Federal agencies. To be eligible, you must: be separated or facing separation; have a fully successful or equivalent performance rating (current or last received); submit an application to the agency having the vacancy; and be well qualified for the vacant position. The vacancy must be in the same commuting area as the location where you were or are being separated. If you meet the eligibility requirements, the agency must select you before hiring outside the agency. The Program requires publication of job information on all Federal competitive service vacancies at http://www.usajobs.opm.gov. Eligibility for ICTAP begins on the date your agency issues you a specific RIF separation notice or proposed separation notice for declining a TOF outside the commuting area, and ends one year from your separation date. The application you submit must comply with all job announcement instructions and a copy of your RIF or TOF separation notice must be attached. You should direct questions regarding this program to your supporting human resources office.

(NOTE: See 5 CFR, Part 330, Subpart G, for ICTAP rules.)

5. **Training and Retraining.**

a. The Department of Labor, in coordination with local downsizing activities and installations, manages training and retraining programs authorized by the Workforce Investment Act (WIA) through the respective state employment security agency. This training is normally targeted to a specific and known employment opportunity.

b. Closing or downsizing activities create employee assistance/transition centers to provide career transition assistance, including resume preparation, interview, and job hunting techniques, financial planning, and others. Similarly, basic learning skills such as math and written communication are provided through the installation's transition assistance center.

6. **Relocation Entitlements.**

a. Generally, when your relocation is in the best interest of the government, relocation expenses are paid to move you from one duty station to another at a different geographical location. The Joint Travel Regulations (JTR), Volume II, governs employee relocation entitlements and benefits. Your supporting human resources and transportation offices will provide Permanent Change of Station (PCS) counseling. You should always consult with these offices before making any relocation commitment, packing and moving household goods, or executing any contract for the sale or purchase of real estate. Movements considered to be in the best interest of the government generally include those when you are:

(1) Offered and accompany a Transfer of Function (TOF).

(2) Issued a RIF notice and are being reassigned or transferred within the Department prior to your separation.

(3) Faced with involuntary separation and have obtained employment in accordance with the DoD PPP Operations Manual.

(4) Separated by RIF or after declining a TOF and are permanently (non-temporary) reemployed within one year of separation at a duty station in another commuting area.

(5) Under retained grade and when the Component has authorized registration and placement in a different commuting area.

b. Relocation expenses usually reimbursed include:

(1) Transportation, packing, crating, and temporary storage of household goods and personal effects up to 18,000 pounds.

(2) Per diem and transportation for you and your spouse when seeking permanent housing at the new duty location. This process is called a househunting trip (HHT) and its use is limited to travel within the United States. HHT includes transportation for one round trip for you and your spouse.

(3) Temporary Quarters Subsistence Expense (TQSE) for up to 60 days when warranted. This may be extended an additional 60 days based on exceptional circumstances. In the event an HHT is authorized and used, TQSE will be reduced by the number of days taken for the HHT. It should be noted that TQSE is not normally extended beyond the initial period when HHT is used.

(4) Payment of specified expenses may be authorized when you sell a residence or settle an unexpired lease at the old duty station and/or, when you buy a residence at the new duty location.

(5) Payment of miscellaneous moving expenses of up to two weeks pay or $1,000 if you are married, and one-week pay or $500 if you are single (whichever is less in both cases).

(6) Permanent storage of household goods and personal effects when your assignment is to an isolated area where living quarters are not available. Total amount of household goods storage and transportation cannot exceed 18,000 pounds.

7. **Homeowner's Assistance Program (HAP).** Under this program, if you are a career employee separated from a base that is being closed (in whole or in part) where the real estate market is severely affected by the closure, you may be eligible to receive assistance. This assistance may be in one of three ways: (1) case-by-case payment from the government to cover part of the losses resulting from sale of the home, (2) sale of the residence to the government, or (3) reimbursement of losses as a result of mortgage foreclosure. You are not eligible for this program if you are serving under a time-limited appointment.

D. CIVIL SERVICE RETIREMENT SYSTEM (CSRS)

1. Discontinued Service Retirement (DSR).

a. If you are affected by involuntary separation as a result of RIF, you may be eligible for an immediate annuity under DSR provisions of the Civil Service Retirement System, provided you have at least five years of civilian service, and have:

(1) Attained age 50 and completed 20 years of creditable service OR

(2) Regardless of age, completed 25 years of creditable service

b. In either case, you must have been employed under the retirement system for at least one year within the two-year period immediately preceding your separation.

c. If you are under age 55, your basic annuity is reduced by 1/6 of one percent for each full month (two percent a year) you are under age 55. Your annuity rate will not be increased when you reach age 55.

2. **Voluntary Early Retirement Authority (VERA).** VERA age and service eligibility requirements are identical to DSR. VERA is requested from and approved by the Office of Personnel Management. The authority may be open to all or to a selected group of employees; however, it is available only during a specified time. It is a management tool used when an organization is faced with downsizing, workforce restructuring/reshaping, and/or base closure and realignment actions. VERA, however, is fundamentally different from DSR. DSR occurs as a result of an action against the will of an employee. VERA allows you to volunteer for retirement well in advance of the announcement or implementation of formal RIF procedures. As a result, if you are eligible for VERA and work in specified organizations or positions where it is being offered, you may volunteer to take early retirement when your departure would avoid an involuntary separation or demotion. You may receive a reduced annuity (see DSR discussion above). Your separation must take place during the VERA opportunity period prior to the anticipated RIF effective date. You cannot be offered VERA if you are in receipt of a specific RIF notice.

(NOTE: See CSRS 2% Age Reduction Table, Attachment D, to compute sample reduction.)

3. Deferred Retirement.

a. If you are ineligible for an immediate annuity, you may be entitled to a deferred annuity at age 62 if you have:

(1) Completed at least five years of civilian service and do not take a refund of retirement contributions after separating, and

(2) Been employed under the retirement system for at least one year within the two-year period immediately preceding separation.

(NOTE: If you are receiving a deferred annuity, you may not reinstate your health and life insurance benefits.)

b. You should request a Standard Form (SF) 1496A, not earlier than three months before attaining age 62, to make application for a deferred annuity. The request must include your full name, date of birth, social security number, last employing agency, and date of separation from Federal employment. You may obtain an application from OPM at the following address:

Office of Personnel Management
Civil Service Retirement System
Retirement Operations Center
Boyers, PA 16017

4. **Refund of Retirement Contributions.** If you are not eligible for an immediate annuity, you may elect to withdraw your retirement contributions in a lump sum, or you may elect to leave your contributions in the retirement fund and avoid future redeposit considerations in the event you are reemployed in the Federal service. If you have less than five years of service, you are not vested. If you do not contemplate a return to Federal service, there is no advantage to leaving your contributions in the fund. If you are entitled to a deferred annuity at age 62, the value of the deferred annuity in most cases will exceed the amount of the lump sum. Leaving your contributions in the fund does not preclude a refund at a later date, providing you make application with the Office of Personnel Management at least 31 days before becoming eligible for an annuity. If you die before attaining age 62, the lump sum contributions are paid as a death benefit. If you desire a refund, you should obtain and file an "Application for Refund of Retirement Deductions" (SF 2802 - CSRS) at your supporting human resources office. If you have been separated from employment for more than 30 days, the application should be sent directly to:

Office of Personnel Management
Civil Service Retirement System
Retirement Operations Center
ATTN: Refunds
Boyers, PA 16020

The monthly annuity rate chart at Attachment B is for information only. Estimates of annuities and contributions should be obtained through your supporting human resources office.

E. FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS)

Eligibility for retirement is determined on the basis of your age and number of years of creditable service. Your human resources office can assist you in determining a monthly annuity under FERS. You must have reached the Minimum Retirement Age (MRA) to be eligible for retirement benefits. The following table provides MRA information.

1. **Minimum Retirement Age (MRA)**

If born	The MRA is . . ..
Before 1948	55
In 1948	55 and 2 months
In 1949	55 and 4 months
In 1950	55 and 6 months
In 1951	55 and 8 months
In 1952	55 and 10 months
In 1953 through 1964	56
In 1965	56 and 2 months
In 1966	56 and 4 months
In 1967	56 and 6 months
In 1968	56 and 8 months
In 1969	56 and 10 months
In 1970 and after	57

2. **Discontinued Service Retirement (DSR).** If you are affected by a management action beyond your control (that is RIF, abolishment of position, etc.) you may be entitled to an immediate annuity under DSR provisions of the FERS, if you have at least five years of civilian service and:

a. Attained age 50 and completed 20 years of creditable service, or

b. Regardless of age, completed 25 years of creditable service.

(NOTE: If you retire under this provision, you will not receive the Special Retirement Supplement (SRS) until you reach your MRA (55 - 57). The SRS approximates the portion of a full career social security benefit earned while under FERS and supplements the annuity. The SRS ends at age 62 when Social Security benefits first become available. There is no age reduction in the annuity under FERS.)

3. **Voluntary Early Retirement Authority (VERA).** VERA is requested from and approved by the Office of Personnel Management. VERA age and service eligibility requirements are identical to DSR. The authority may be very narrow or open to all employees; however, it is available only during a specified, and usually, limited time. It is a management tool used when an organization is faced with reshaping and/or downsizing. VERA, however, is fundamentally different from DSR. DSR occurs as a result of an action against the will of an employee. VERA allows an employee to volunteer for retirement well in advance of the

announcement or implementation of formal RIF procedures. As a result, if you are eligible for VERA and work in specified organizations or positions, you may volunteer to take early retirement when your departure would avoid an involuntary separation or demotion. VERA cannot be offered to you if you are in receipt of a specific RIF notice. Under FERS, there is no age reduction in the annuity. However, an annuity reduction may occur if retiring under "MRA+10" as discussed in E.4, below.

4. **Deferred Retirement.** If you are ineligible for an immediate annuity, you may be entitled to a deferred annuity if you have completed at least five years of creditable civilian service and have not received any refund of your retirement contributions. The table provided below indicates age and service requirements for attaining eligibility.

AGE	YEARS OF SERVICE
62	5
60	20
MRA	30
MRA	10*
	*denotes reduced benefit

If you separate and apply for a deferred annuity at your MRA with at least 10 years, but less than 30 years of service, the benefit will be reduced at the rate of five percent a year for each year under age 62. There is no reduction if you have at least 20 years of service and the annuity begins at age 60 or later. Under a deferred annuity, health and life insurance benefits cannot be reinstated. If you wish to apply for deferred retirement under FERS, an application form (RI Form 92-19) should be requested from OPM at least three months in advance of the desired retirement date. The request should be submitted to the following address:

Office of Personnel Management
Federal Employees Retirement System
Post Office Box 200
Boyers, PA 16020

5. **Postponed "MRA+10" Annuity.** If you are eligible for an MRA+10 immediate annuity upon separation, you may postpone receipt of the annuity in order to reduce or negate the age reduction for early retirement. Receipt of the annuity may be postponed until age 62. You must have at least 10 years of creditable Federal service (any required military deposits must be made prior to separation in order for the time to be creditable) and have met MRA at separation. For example, if your MRA is 56 years of age and you are separated with at least 10 years of service, the annuity would be reduced by 30 percent (62 - 56 = 6 x 5% = 30%). If you decide to postpone the annuity (allowed by FERS), annuity payments could be started at your option at age 60. This would result in only a 10 percent reduction (62 - 60 = 2 x 5% = 10%). If you elect to wait until age 62, the retirement age reduction would be negated (62 - 62 = 0 x 5% = 0%). If you choose to postpone the annuity, you would be entitled to reinstate (upon annuity receipt) health

insurance and life insurance. Insurance coverage would be available during the duration of retirement.

(NOTE: See FERS 5% Age Reduction Table, Attachment D, page 24, to compute sample reduction.)

6. **Refund of Retirement Contributions.** Upon separation, you may withdraw your FERS contributions. Be aware, however, that if you take your contributions out of the retirement system, you lose the service credit for the period covered by the refund for retirement eligibility and annuity computation purposes. If you are reemployed in the Federal service, this credit cannot be recovered by paying a redeposit. There is no legal authority for a redeposit of FERS contributions once refunded.

F. FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI) PROGRAM

1. Annuitant Coverage.

a. CSRS or FERS Immediate Annuities. When you retire, you must make an election concerning life insurance. To continue life insurance into retirement, you must:

(1) Retire from a position while insured.

(2) Not convert the coverage to an individual policy.

(3) Retire on an immediate annuity (that is, an annuity that begins to accrue no later than one month after you separate).

(4) Have each type of life insurance coverage for the five years of service immediately preceding retirement or the full period of service during which the coverage was available, if less than five years.

b. You may choose from three levels of coverage for your basic insurance, a 75 percent reduction, a 50 percent reduction, or no reduction. Elected reductions begin at age 65 (or upon retirement if you are older than 65). The 75 percent reduction occurs at a rate of two percent per month; the 50 percent reduction at one percent a month. As a retiree, your premiums are based on the type of post-retirement coverage elected (SF-2818) and are deducted from the annuity.

c. If you choose to continue Option A coverage, the amount of insurance reduces after age 65 at the rate of 2 percent per month until Option A reaches $2500.00.

d. You may choose from two levels of coverage for your Option B and Option C insurance: Full Reduction or No Reduction. However, if you do not make an election you will automatically get the Full Reduction.

(1) Full Reduction: Cost continues up to age 65 at the same rate as active employees. No cost after reaching age 65 – value reduces 2 percent per month until the amount is reduced 100 percent.

(2) No Reduction: You continue to pay at the same rate as active employees. Coverage will not reduce and premiums will continue to be withheld from the annuity after age 65. You may change to full reduction at any time.

e. Postponed FERS Annuities. FERS retirees, separating at the minimum retirement age with ten years of service (MRA+10), have the opportunity to postpone their annuity in order to reduce or negate the age reduction. If you make this election, you may reinstate life insurance coverage upon commencement of the annuity.

2. **Separation Coverage.** If you are enrolled in the Federal Employees Group Life Insurance (FEGLI) Program and will be separated, you will receive an Agency Certification of Insurance Status (SF 2821) indicating your enrollment is terminated. You will also receive a Notice of Conversion Privilege (SF 2819). If you desire conversion of the insurance coverage to an individual policy (in an amount equal to or less than the group life insurance), the reverse side of the SF 2819 must be completed. The SF 2821 must be attached to the SF 2819 and forwarded within 31 days of the separation date or 31 days of the date of receipt of the SF 2819 (whichever allows the most time) to this address:

Office of Federal Employees' Group Life Insurance
P.O. Box 2627
Jersey City, NJ 07303-2627

G. FEDERAL EMPLOYEES HEALTH BENEFITS (FEHB) PROGRAM

1. **Annuitant Coverage.** Your health insurance coverage continues if you retire under certain circumstances. Annuitants are entitled to the same benefits as active employees enrolled in the same plan. The cost will be the same as for active employees and will be deducted from your annuity. (Annuitants may not currently participate in premium conversion, the program that permits employees to save on their taxes by paying health insurance premiums with pre-tax money.) Government contributions continue at the same rate as for active employees. However, to continue enrollment after retirement, you must:

a. Retire on an immediate annuity (an annuity which begins to accrue no later than one month after the date of separation).

b. Have been enrolled in a plan under the Federal Employees Health Benefits (FEHB) Program during (a) the five years of service immediately preceding retirement (coverage under CHAMPUS or TRICARE may count toward the five years as long as you are enrolled in FEHB at time of separation) or (b) all service since the first opportunity to enroll.

(NOTE: Because of workforce downsizing, OPM has authorized pre-approved waivers of the 5-year enrollment requirement for employees who retire during their agency's statutory buyout period (currently October 30, 2000, through September 30, 2003, for the Department of Defense), and who were covered under the FEHB Program on and continuously since the

beginning date of the agency's latest statutory buyout authority (October 30, 2000, for the Department of Defense).

The retirement must be under one of the following conditions:

- Retire and receive Voluntary Separation Incentive Pay (VSIP),
- Retire on an involuntary retirement as a result of reduction-in-force, job abolishment, directed reassignment, or reclassification to a lower grade, or
- Retire under Voluntary Early Retirement Authority (VERA).

Your supporting human resources office will provide necessary counseling to you and appropriate documentation to OPM in order to process the continuance. If as a retiring employee, you do not want continued enrollment, you may complete an SF 2809 to cancel it.

2. **Postponed FERS Annuities**. If you are a FERS retiree separating at the minimum retirement age and ten years of service (MRA+10), you have the option to postpone your annuity in order to reduce, or negate, the age reduction. If you choose to postpone the annuity, you will be entitled to reinstate (upon annuity receipt) health insurance coverage.

3. **Separation Coverage.** If you are not eligible for retirement and are separated by RIF, or voluntarily resign, you may elect conversion of health insurance coverage to a private policy or elect Temporary Continuation of Coverage (TCC). If you are involuntarily separated by RIF, or volunteer to be separated from a "surplus position," you may receive TCC based on section 1036 of Public Law 104-106. If you are eligible for this special TCC, you pay only the employee contribution for FEHB. If you are enrolled in health benefits on your separation date, you will be provided notification and a Standard Form 2809, Health Benefits Registration Form, containing the procedures for electing the continued health insurance. If you are eligible, you have 60 days from the date of separation or receipt of the notification to enroll in TCC. Coverage ends after 18 months; however, there is a 31-day period to convert the coverage to a private policy.

(NOTE: The special TCC statutory authority depends on congressional extension of specified termination/ "sunset" date. Absent an extension, authority will expire.)

H. LEAVE UPON SEPARATION

1. **Annual Leave.**

a. After you separate, you normally receive a lump sum payment for any unused annual leave. The period of leave used for calculating the lump sum payment ends as of your separation. It is not affected by a subsequent holiday. Lump sum annual leave payments are not subject to retirement deductions. However, if you are reemployed by any Federal agency, or by the Government of the District of Columbia, within the period represented by the leave for which a lump sum was paid, you may be required to refund to the new agency some portion of the lump sum amount. In this event, the new agency will credit you with the leave amount equal to the refund.

b. Normally, you may carry only 240 hours of annual leave into a new leave year. However, if you are at an installation scheduled to close, you may be entitled to accumulate annual leave without restriction under provisions of title 5, Unites States Code, section 6304(d)(3). If you are placed at a non-closing Defense installation, any leave restored under authority of section 6304(d)(3) will be paid to you in lump sum. Similarly, if placed in another Federal agency, the leave is paid in lump sum upon your departure. You may use your accumulated annual leave upon involuntary separation, as a result of RIF, to remain on the rolls beyond your separation date in order to reach first retirement eligibility or attain eligibility for continued health benefits. For example, if you are close to discontinued service retirement at the time of involuntary separation, you may stay on the rolls on annual leave to meet eligibility for retirement. Annual leave cannot be advanced for this purpose.

2. **Sick Leave.** You are not paid for any unused sick leave at the time of separation. It is recredited to you if you are reemployed in the Federal government or by the Government of the District of Columbia. When you retire on an immediate CSRS annuity, you receive service credit equal to the unused sick leave. This additional credit is used in computing your annuity. This does not apply to employees retiring under FERS.

I. PAY

1. **Final Salary Check**. Your final salary check is deposited to your current direct deposit account. Savings bonds are mailed to your address contained in the payroll system records. In order to receive any bonds or W-2s, it is important that you provide a complete and accurate forwarding address to the payroll office upon separation.

2. **Grade and Pay Retention.** You may be entitled to grade retention for up to two years and to pay retention thereafter, if you are placed prior to separation in a lower graded DoD position as a result of RIF or job reclassification. Basic eligibility requirements are contained in 5 U.S.C., Chapter 53, Subchapter VI, and 5 CFR Part 536. The supporting human resources office will advise you of your entitlement under these provisions.

3. **Severance Pay**. A payment made to eligible separating employees. The amount is determined by a formula that considers years of creditable civilian service, basic pay at the time of eligibility and an adjustment for employees over age 40.

a. **Eligibility**. You may be entitled to severance pay if your separation is involuntary and, if on the date of separation, you have been employed by the Federal government for at least the preceding 12 months. This may include non-temporary and temporary employment provided there was no break in service of more than three calendar days between appointments. "Reduction-in-Force" and "Resignation-RIF" actions are considered to be involuntary separations only when you have received a written notice of RIF separation. There are other circumstances that provide severance pay eligibility, the supporting human resources office will explain these conditions to you when appropriate.

b. **Ineligibility**.

(1) If you are eligible for an immediate annuity (see retirement information provided above) or are receiving an annuity under any retirement law or system that applies to Federal employees or members of the uniformed services, you cannot receive severance pay. This prohibition remains in effect even if you decide not to retire.

(2) If, at the time of your involuntary separation, you are offered and decline to accept a reasonable offer, you cannot receive severance pay. A reasonable offer must be made in writing. You must meet the established qualification requirements. And, the offered position must be:

(a) In your agency, i.e., Department of Defense, including all military components;

(b) Within your commuting area, unless geographic mobility is a condition of employment;

(c) Of the same tenure and work schedule (that is, part time or full time); and

(d) Not lower than 2 grades or pay levels below your current permanent grade or pay level, without consideration of grade or pay retention.

(3) Statutory requirements prohibit the concurrent receipt of severance pay and certain Federal Employees' Compensation Act (FECA) benefits. Specifically, compensation for temporary total disability (TTD) may not be paid for the period covered by severance pay. An election between the FECA benefits and the severance pay will be required in order to avoid an overpayment of benefits. Medical benefits under FECA as well as compensation for partial disability, however, are exempt from this prohibition.

c. **Severance Pay Computation**. Severance pay is computed on the basis of two elements:

(1) **Basic Allowance**. The basic allowance is determined by adding one week's basic compensation (basic pay rate received immediately before involuntary separation) for each of the first ten years of creditable service and two week's basic compensation for each year of creditable service beyond ten years.

(2) **Age Adjustment**. The basic allowance is adjusted if you are over 40 years of age. The age adjustment is equal to ten percent of the total basic allowance for each year that you exceed 40 years of age at the time of involuntary separation.

(3) **Total Severance Pay**. The basic allowance is added to the age adjustment allowance to determine your total entitlement.

(4) **Maximum Allowance**. The total severance pay you are eligible to receive is limited to one year's pay at the rate of pay received immediately before separation. This is a lifetime limitation. Therefore, if you become eligible to receive severance pay for a second time

in your federal career, your severance pay entitlement ends once the sum of the two severance periods reaches 52 weeks.

EXAMPLE: An employee, 45 years and two months of age, is involuntarily separated after 15 years of creditable service. The basic weekly pay prior to separation is $450.00. Severance pay would be computed as follows:

Basic Severance Allowance		**Age Adjustment Allowance**	
1 week Basic Pay	$ 450.00	Basic Severance Allowance	$ 9,000.00
(Years service up to 10)	X 10	(10 % of Basic Severance Allowance)	X .10
	$ 4,500.00		$ 900.00
2 weeks Basic Pay	$ 900.00	(Number of Years age exceed 40)	X 5
(Years of service beyond 10)	X 5	Age Adjustment Allowance	$ 4,500.00
	$ 4,500.00		
		Basic Severance Allowance	$ 9,000.00
Basic Severance Allowance	$ 9,000.00	**Plus Age Adjustment Allowance**	+4,500.00
		Total Severance Pay Fund	$13,500.00

d. **Creditable Service**. Service creditable for severance pay purposes includes:

(1) Civilian service performed by an employee.

(2) Service performed with the United States Postal Service or the Postal Rate Commission.

(3) Military service, including active or inactive training with the National Guard, when performed by employees who return to civilian service through the exercise of a restoration right provided by law, Executive order, or regulation.

(4) Service performed in a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard, as defined in 5 U.S.C. 2105(c), when individuals moved to a position within the civil service employment system of the Department of Defense or the Coast Guard without a break in service of more than 3 days.

(NOTES: a. See 5 CFR, Part 550, Subpart G, for Severance Pay rules.
b. When fractions of a year are involved, the recipient is credited with 25 percent of a year for each three months completed.)

e. **Payment**.

(1) At your option, severance pay may be paid on a biweekly/pay period basis or in a lump sum.

(2) If paid in biweekly payments, the amount of each payment will be the same as your basic pay immediately prior to separation. These payments will continue every two weeks until the "total severance pay fund" is exhausted.

(3) No deductions are withheld from severance payments other than Federal and state income tax withholding and FICA tax, if appropriate.

(4) In the event you die before expiration of the payment period, biweekly payments will continue as if you were living. They will be paid on a pay period basis to your survivor or survivors. No payment is made, unless and until you are actually drawing severance pay.

(5) Any period during which severance pay is received is not considered Federal service or employment.

(6) Severance pay payments are terminated upon reemployment in a Federal agency by career or career-conditional appointment.

(7) Severance pay is deferred upon reemployment in a Federal agency by temporary appointment "not to exceed one year." Payments are resumed upon termination of the temporary appointment. The period of temporary appointment is not creditable for purposes of computing severance pay it interrupts.

f. **Documentation**. When you are involuntarily separated, the "Remarks" section of the SF 50, Notification of Personnel Action, will state whether you are or are not entitled to severance pay. If entitled, the SF 50 will state the total amount of severance pay, the amount of weekly pay, the number of weeks it will take to exhaust the entitlement, and the date payment begins.

J. UNEMPLOYMENT COMPENSATION

The appropriate state employment security agency makes determination of your rights to unemployment compensation under the applicable state unemployment compensation laws. In order to determine your eligibility for unemployment compensation, contact must be with the nearest state employment security agency. All claims are submitted to that office upon separation. To support a claim, you will need a Social Security card, official notice of the separation (SF 50, Notification of Personnel Action), and a Standard Form (SF) 8, Notice to Federal Employee About Unemployment Compensation (provided on your last day of duty). However, you should not wait to file your claim for unemployment compensation benefits until these forms are received as it may affect your eligibility. Instead, you should contact your local state employment security agency as soon as you are separated. Payments you receive such as an annuity, incentive pay, lump sum annual leave, or workers' compensation may affect your eligibility for unemployment compensation. The applicable state employment security agency will make that determination.

K. THRIFT SAVINGS PLAN (TSP) BENEFITS

1. All employees who separate from the Federal service, even if separated involuntarily by RIF, have several TSP options available. You will be provided a TSP Withdrawal Package containing a withdrawal booklet, the necessary withdrawal forms, and a tax notice. Withdrawal options include: A TSP life annuity, a single payment, a series of monthly payments, transfer of account balance to an IRA or other acceptable retirement fund, or leaving the account with TSP. If you have a small account balance (currently $3,500 or less) you are subject to the TSP automatic cash-out procedures unless you make another withdrawal election or elect to leave the money in the TSP. In this case, you must respond promptly by returning the forms received with the cash-out notice from TSP; otherwise, the cash-out will be made automatically. If cash-out is the desired option, you do not have to submit any forms.

2. If you leave your money in the TSP when you separate, you are required to exercise your payout options by withdrawing your account in a single payment or begin receiving monthly payments (or TSP annuity) by April 1 of the year following the year you reach age 70 ½. If over age 70 ½ at separation, you must receive your account balance, or begin receiving monthly payments, by April 1 of the year following your separation from Federal service. If no withdrawal option is made to start receiving payments by this deadline, the TSP will purchase an annuity for you.

3. If you leave Federal service before the year in which you attain age 55 and withdraw the TSP account in a single payment (or a series of monthly payments) not based on the IRS life expectancy tables, you will be assessed a 10 percent early withdrawal tax penalty on all direct payments received before age 59 ½. There is no early withdrawal penalty if you separate in the year, or after the year, you become age 55.

L. APPEALS

1. If you are adversely affected by RIF and believe the RIF action deprived you of rights to which otherwise entitled under the agency's regulations or the regulations of the Office of Personnel Management, you may appeal such action to the Merit Systems Protection Board (MSPB). Appeals of RIF actions may be submitted to the MSPB any time during the period beginning with the day after the effective date of the action, until not later than 30 days after the effective date. However, if you are in a bargaining unit covered by a negotiated grievance procedure that was negotiated after the Civil Service Reform Act, and that does not exclude RIF, you must use the negotiated grievance procedure and may not appeal RIF actions to MSPB except in limited situations. Time limits and procedures for filing and processing a grievance under a negotiated grievance procedure are contained in the applicable collective bargaining agreement. Your RIF notice will provide the proper procedures for submitting an appeal or grievance. Attachment A to this package contains the MSPB regulations covering RIF appeals.

2. If considering an appeal or grievance, you are urged to review the applicable regulations and all records and registers that have a bearing on the RIF action. This review has a very practical purpose. It may reveal an error or oversight that can be corrected, or substantiate, to

your satisfaction, that the action is proper. As a minimum, a review should serve to aid you in the preparation of an appeal or grievance.

3. Grounds for RIF appeals include:

a. Improper retention of another employee in a lower subgroup.

b. Insufficient advance notice given. Agencies must give a minimum 60-day written Notice.

c. Inadequate reasons or failure to give reasons for regulatory exceptions.

d. Denial of your right to examine the regulations or to inspect the retention registers and related records.

e. Excessive restriction of the competitive area.

f. Improper tenure groups assigned.

g. Violation of your veterans' preference.

h. Error in computing a service computation date.

i. Failure of the installation to comply with its RIF administrative procedures.

4. The MSPB appeals form (copy in Attachment A) may be used to file an appeal of a RIF action. An appeal may be filed at any time after the effective date of a RIF action, but not later than 30 calendar days after the effective date of that action. The appeal must be in writing and addressed to the appropriate office of the MSPB. MSPB addresses are listed in Attachment A. If you decide to appeal a RIF action to the MSPB, the appeal must include:

a. Your name and the acting agency;

b. The action taken by the agency and its effective date;

c. A request for a hearing, if desired;

d. A statement of the reasons why you believe the agency action was wrong (Failure to raise a claim or defense in the appeal will not prohibit its submission at a later time, unless doing so would prejudice the rights of the other parties and unduly delay the proceedings.);

e. A statement of the action you would like the presiding officer to order;

f. The name of your representative, if any;

g. Any relevant documents including the decision notice;

h. A statement as to whether you or anyone acting on your behalf has filed a grievance or complaint with any agency regarding this matter; and

i. Your signature and that of your representative, if any.

ATTACHMENT A

MERIT SYSTEMS PROTECTION BOARD (MSPB) APPEAL REGULATIONS (located at enclosure)

ATTACHMENT B

CIVIL SERVICE RETIREMENT SYSTEM (CSRS)
GENERAL FORMULA COMPUTATION TABLE

CSRS GENERAL FORMULA COMPUTATION TABLE

For Computing Basic Annuity Where High-3 Average Salary is $5,000 or more

Service Years	0 Month	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
5	0.075000	0.076458	0.077917	0.079375	0.080833	0.082292	0.08375	0.085208	0.086667	0.088125	0.089583	0.091042
6	.092500	.093958	.095417	.096875	.098333	.099792	.101250	.102708	.104167	.105625	.107083	.108542
7	.110000	.111458	.112917	.114375	.115833	.117292	.118750	.120208	.121667	.123125	.124583	.126042
8	.127500	.128958	.130417	.131875	.133333	.134792	.136250	.137708	.139167	.140625	.142083	.143542
9	.145000	.146458	.147917	.149375	.150833	.152292	.153750	.155208	.156667	.158125	.159583	.161042
10	.162500	.164167	.165833	.167500	.169167	.170833	.172500	.174167	.175833	.177500	.179167	.180833
11	.182500	.184167	.185833	.187500	.189167	.190833	.192500	.194167	.195833	.197500	.199167	.200833
12	.202500	.204167	.205833	.207500	.209167	.210833	.212500	.214167	.215833	.217500	.219167	.220833
13	.222500	.224167	.225833	.227500	.229167	.230833	.232500	.234167	.235833	.237500	.239167	.240833
14	.242500	.244167	.245833	.247500	.249167	.250833	.252500	.254167	.255833	.257500	.259167	.260833
15	.262500	.264167	.265833	.267500	.269167	.270833	.272500	.274167	.275833	.277500	.279167	.280833
16	.282500	.284167	.285833	.287500	.289167	.290833	.292500	.294167	.295833	.297500	.299167	.300833
17	.302500	.304167	.305833	.307500	.309167	.310833	.312500	.314167	.315833	.317500	.319167	.320833
18	.322500	.324167	.325833	.327500	.329167	.330833	.332500	.334167	.335833	.337500	.339167	.340833
19	.342500	.344167	.345833	.347500	.349167	.350833	.352500	.354167	.355833	.357500	.359167	.360833
20	.362500	.364167	.365833	.367500	.369167	.370833	.372500	.374167	.375833	.377500	.379167	.380833
21	.382500	.384167	.385833	.387500	.389167	.390833	.392500	.394167	.395833	.397500	.399167	.400833
22	.402500	.404167	.405833	.407500	.409167	.410833	.412500	.414167	.415833	.417500	.419167	.420833
23	.422500	.424167	.425833	.427500	.429167	.430833	.432500	.434167	.435833	.437500	.439167	.440833
24	.442500	.444167	.445833	.447500	.449167	.450833	.452500	.454167	.455833	.457500	.459167	.460833
25	.462500	.464167	.465833	.467500	.469167	.470833	.472500	.474167	.475833	.477500	.479167	.480833
26	.482500	.484167	.485833	.487500	.489167	.490833	.492500	.494167	.495833	.497500	.499167	.500833
27	.502500	.504167	.505833	.507500	.509167	.510833	.512500	.514167	.515833	.517500	.519167	.520833
28	.522500	.524167	.525833	.527500	.529167	.530833	.532500	.534167	.535833	.537500	.539167	.540833
29	.542500	.544167	.545833	.547500	.549167	.550833	.552500	.554167	.555833	.557500	.559167	.560833
30	.562500	.564167	.565833	.567500	.569167	.570833	.572500	.574167	.575833	.577500	.579167	.580833
31	.582500	.584167	.585833	.587500	.589167	.590833	.592500	.594167	.595833	.597500	.599167	.600833
32	.602500	.604167	.605833	.607500	.609167	.610833	.612500	.614167	.615833	.617500	.619167	.620833
33	.622500	.624167	.625833	.627500	.629167	.630833	.632500	.634167	.635833	.637500	.639167	.640833
34	.642500	.644167	.645833	.647500	.649167	.650833	.652500	.654167	.655833	.657500	.659167	.660833
35	.662500	.664167	.665833	.667500	.669167	.670833	.672500	.674167	.675833	.677500	.679167	.680833
36	.682500	.684167	.685833	.687500	.689167	.690833	.692500	.694167	.695833	.697500	.699167	.700833
37	.702500	.704167	.705833	.707500	.709167	.710833	.712500	.714167	.715833	.717500	.719167	.720833
38	.722500	.724167	.725833	.727500	.729167	.730833	.732500	.734167	.735833	.737500	.739167	.740833
39	.742500	.744167	.745833	.747500	.749167	.750833	.752500	.754167	.755833	.757500	.759167	.760833
40	.762500	.764167	.765833	.767500	.769167	.770833	.772500	.774167	.775833	.777500	.779167	.780833
41	.782500	.784167	.785833	.787500	.789167	.790833	.792500	.794167	.795833	.797500	.799167	80%[1]

To obtain the basic annuity, multiply the high-3 average salary by the factor indicated under applicable years and months of service.

1. Annuity in excess of 80 percent which is produced by credit for unused sick leave is payable.

ATTACHMENT C

FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS)

COMPUTATION TABLES

FERS COMPUTATION TABLE
1% ACCRUAL FACTOR

Years of Service	0 Month	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
1	0.010000	0.010833	0.011667	0.012500	0.013333	0.014167	0.015000	0.015833	0.016667	0.017500	0.018333	0.019167
2	0.020000	0.020833	0.021667	0.022500	0.023333	0.024167	0.025000	0.025833	0.026667	0.027500	0.028333	0.029167
3	0.030000	0.030833	0.031667	0.032500	0.033333	0.034167	0.035000	0.035833	0.036667	0.037500	0.038333	0.039167
4	0.040000	0.040833	0.041667	0.042500	0.043333	0.044167	0.045000	0.045833	0.046667	0.047500	0.048333	0.049167
5	0.050000	0.050833	0.051667	0.052500	0.053333	0.054167	0.055000	0.055833	0.056667	0.057500	0.058333	0.059167
6	0.060000	0.060833	0.061667	0.062500	0.063333	0.064167	0.065000	0.065833	0.066667	0.067500	0.068333	0.069167
7	0.070000	0.070833	0.071667	0.072500	0.073333	0.074167	0.075000	0.075833	0.076667	0.077500	0.078333	0.079167
8	0.080000	0.080833	0.081667	0.082500	0.083333	0.084167	0.085000	0.085833	0.086667	0.087500	0.088333	0.089167
9	0.090000	0.090833	0.091667	0.092500	0.093333	0.094167	0.095000	0.095833	0.096667	0.097500	0.098333	0.099167
10	0.100000	0.100833	0.101667	0.102500	0.103333	0.104167	0.105000	0.105833	0.106667	0.107500	0.108333	0.109167
11	0.110000	0.110833	0.111667	0.112500	0.113333	0.114167	0.115000	0.115833	0.116667	0.117500	0.118333	0.119167
12	0.120000	0.120833	0.121667	0.122500	0.123333	0.124167	0.125000	0.125833	0.126667	0.127500	0.128333	0.129167
13	0.130000	0.130833	0.131667	0.132500	0.133333	0.134167	0.135000	0.135833	0.136667	0.137500	0.138333	0.139167
14	0.140000	0.140833	0.141667	0.142500	0.143333	0.144167	0.145000	0.145833	0.146667	0.147500	0.148333	0.149167
15	0.150000	0.150833	0.151667	0.152500	0.153333	0.154167	0.155000	0.155833	0.156667	0.157500	0.158333	0.159167
16	0.160000	0.160833	0.161667	0.162500	0.163333	0.164167	0.165000	0.165833	0.166667	0.167500	0.168333	0.169167
17	0.170000	0.170833	0.171667	0.172500	0.173333	0.174167	0.175000	0.175833	0.176667	0.177500	0.178333	0.179167
18	0.180000	0.180833	0.181667	0.182500	0.183333	0.184167	0.185000	0.185833	0.186667	0.187500	0.188333	0.189167
19	0.190000	0.190833	0.191667	0.192500	0.193333	0.194167	0.195000	0.195833	0.196667	0.197500	0.198333	0.199167
20	0.200000	0.200833	0.201667	0.202500	0.203333	0.204167	0.205000	0.205833	0.206667	0.207500	0.208333	0.209167
21	0.210000	0.210833	0.211667	0.212500	0.213333	0.214167	0.215000	0.215833	0.216667	0.217500	0.218333	0.219167
22	0.220000	0.220833	0.221667	0.222500	0.223333	0.224167	0.225000	0.225833	0.226667	0.227500	0.228333	0.229167
23	0.230000	0.230833	0.231667	0.232500	0.233333	0.234167	0.235000	0.235833	0.236667	0.237500	0.238333	0.239167
24	0.240000	0.240833	0.241667	0.242500	0.243333	0.244167	0.245000	0.245833	0.246667	0.247500	0.248333	0.249167
25	0.250000	0.250833	0.251667	0.252500	0.253333	0.254167	0.255000	0.255833	0.256667	0.257500	0.258333	0.259167
26	0.260000	0.260833	0.261667	0.262500	0.263333	0.264167	0.265000	0.265833	0.266667	0.267500	0.268333	0.269167
27	0.270000	0.270833	0.271667	0.272500	0.273333	0.274167	0.275000	0.275833	0.276667	0.277500	0.278333	0.279167
28	0.280000	0.280833	0.281667	0.282500	0.283333	0.284167	0.285000	0.285833	0.286667	0.287500	0.288333	0.289167
29	0.290000	0.290833	0.291667	0.292500	0.293333	0.294167	0.295000	0.295833	0.296667	0.297500	0.298333	0.299167
30	0.300000	0.300833	0.301667	0.302500	0.303333	0.304167	0.305000	0.305833	0.306667	0.307500	0.308333	0.309167
31	0.310000	0.310833	0.311667	0.312500	0.313333	0.314167	0.315000	0.315833	0.316667	0.317500	0.318333	0.319167
32	0.320000	0.320833	0.321667	0.322500	0.323333	0.324167	0.325000	0.325833	0.326667	0.327500	0.328333	0.329167
33	0.330000	0.330833	0.331667	0.332500	0.333333	0.334167	0.335000	0.335833	0.336667	0.337500	0.338333	0.339167
34	0.340000	0.340833	0.341667	0.342500	0.343333	0.344167	0.345000	0.345833	0.346667	0.347500	0.348333	0.349167
35	0.350000	0.350833	0.351667	0.352500	0.353333	0.354167	0.355000	0.355833	0.356667	0.357500	0.358333	0.359167
36	0.360000	0.360833	0.361667	0.362500	0.363333	0.364167	0.365000	0.365833	0.366667	0.367500	0.368333	0.369167
37	0.370000	0.370833	0.371667	0.372500	0.373333	0.374167	0.375000	0.375833	0.376667	0.377500	0.378333	0.379167
38	0.380000	0.380833	0.381667	0.382500	0.383333	0.384167	0.385000	0.385833	0.386667	0.387500	0.388333	0.389167
39	0.390000	0.390833	0.391667	0.392500	0.393333	0.394167	0.395000	0.395833	0.396667	0.397500	0.398333	0.399167
40	0.400000	0.400833	0.401667	0.402500	0.403333	0.404167	0.405000	0.405833	0.406667	0.407500	0.408333	0.409167

To obtain the basic annuity, multiply the high-3 average salary by the factor indicated under applicable years and months of service.

Example 1: Employee A retires at age 62 after 13 years and 6 months of Federal employment. His high-3 average salary is $38,000. The 1% accrual factor for 13 years and 6 months is 135 (found in the '6 Month" column, line 13). Multiply .135 by $38,000 to obtain Employee A's annual basic annuity amounting to $5,130.

ATTACHMENT D

CSRS AND FERS AGE REDUCTION TABLES

CSRS 2% Age Reduction Table

Factors for Determining Reduction in Basic Annuity
(Age 50 and completed 20 years of creditable service OR
regardless of age, completed 25 years of creditable service)

Age at separation and at least one day over	0 Month	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
40	0.701667	0.703333	0.705000	0.706667	0.708333	0.710000	0.711667	0.713333	0.715000	0.716667	0.718333	0.720000
41	0.721667	0.723333	0.725000	0.726667	0.728333	0.730000	0.731667	0.733333	0.735000	0.736667	0.738333	0.740000
42	0.741667	0.743333	0.745000	0.746667	0.748333	0.750000	0.751667	0.753333	0.755000	0.756667	0.758333	0.760000
43	0.761667	0.763333	0.765000	0.766667	0.768333	0.770000	0.771667	0.773333	0.775000	0.776667	0.778333	0.780000
44	0.781667	0.783333	0.785000	0.786667	0.788333	0.790000	0.791667	0.793333	0.795000	0.796667	0.798333	0.800000
45	0.801667	0.803333	0.805000	0.806667	0.808333	0.810000	0.811667	0.813333	0.815000	0.816667	0.818333	0.820000
46	0.821667	0.823333	0.825000	0.826667	0.828333	0.830000	0.831667	0.833333	0.835000	0.836667	0.838333	0.840000
47	0.841667	0.843333	0.845000	0.846667	0.848333	0.850000	0.851667	0.853333	0.855000	0.856667	0.858333	0.860000
48	0.861667	0.863333	0.865000	0.866667	0.868333	0.870000	0.871667	0.873333	0.875000	0.876667	0.878333	0.880000
49	0.881667	0.883333	0.885000	0.886667	0.888333	0.890000	0.891667	0.893333	0.895000	0.896667	0.898333	0.900000
50	0.901667	0.903333	0.905000	0.906667	0.908333	0.910000	0.911667	0.913333	0.915000	0.916667	0.918333	0.920000
51	0.921667	0.923333	0.925000	0.926667	0.928333	0.930000	0.931667	0.933333	0.935000	0.936667	0.938333	0.940000
52	0.941667	0.943333	0.945000	0.946667	**0.948333**	0.950000	0.951667	0.953333	0.955000	0.956667	0.958333	0.960000
53	0.961667	0.963333	0.965000	0.966667	0.968333	0.970000	0.971667	0.973333	0.975000	0.976667	0.978333	0.980000
54	0.981667	0.983333	0.985000	0.986667	0.988333	0.990000	0.991667	0.993333	0.995000	0.996667	0.998333	1.000000

NOTES: a. Multiply unreduced basic annuity by applicable factor shown above to calculate reduced retirement benefits.
b. There may be further reductions.

EXAMPLE: Under a voluntary early retirement authority, Charles retired at age 52 with 21 years service. His birthday is February 22, 1947. He retired on June 30, 1999. His basic annuity ($30,000) will be reduced by 2% for each year under age 55. Since he is 52 years, 4 months old at the time of his retirement, his basic annuity is reduced by a factor of **0.948333**. Multiply his basic annuity by this factor ($30,000 x 0.948333). Charles' **reduced basic annuity** is $28,450.

FERS 5% AGE REDUCTION TABLE

Factors for Determining Reductions in Basic Annuity for Early Deferred or MRA + 10 Retirement

Age at Separation (and at least 1 day over)	0 Month	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
55	0.654167	0.658333	0.662500	0.666667	0.670833	0.675000	0.679167	0.683333	0.687500	0.691667	0.695833	0.700000
56	0.704167	0.708333	0.712500	**0.716667**	0.720833	0.725000	0.729167	0.733333	0.737500	0.741667	0.745833	0.750000
57	0.754167	0.758333	0.762500	0.766667	0.770833	0.775000	0.779167	0.783333	0.787500	0.791667	0.795833	0.800000
58	0.804167	0.808333	0.812500	0.816667	0.820833	0.825000	0.829167	0.833333	0.837500	0.841667	0.845833	0.850000
59	0.854167	0.858333	0.862500	0.866667	0.870833	0.875000	0.879167	0.883333	0.887500	0.891667	0.895833	0.900000
60	0.904167	0.908333	0.912500	0.916667	0.920833	0.925000	0.929167	0.933333	0.937500	0.941667	0.945833	0.950000
61	0.954167	0.958333	0.962500	0.966667	0.970833	0.975000	0.979167	0.983333	0.987500	0.991667	0.995833	1.000000

NOTES: a. Multiply unreduced Basic Annuity benefit by applicable factor shown below to calculate reduced retirement benefit.
b. The election of a survivor benefit will further reduce benefits.

EXAMPLE: George retired at his MRA (age 56) with 15 years of service. If he applies for his immediate annuity, it will be reduced 5% for each year under age 62. George's birthday is March 10, 1943 and his retirement date is June 30, 1999. Since he is 56 years 3 months at the time of his retirement, his annuity is reduced by a factor of **0.716667**. Multiply his basic annuity ($8,000) by this factor. George's **reduced basic annuity**, due to his age reduction, is $5,733.