



CIVILIAN PERSONNEL FACT SHEET

COMPUTING RETIREMENT BENEFITS UNDER CSRS

While the service used in determining an employee's eligibility for retirement is generally the same as creditable service for computation purposes, there are some exceptions.

Periods of CSRS service which were refunded will not be creditable unless a redeposit is made. If the refunded service was performed before October 1, 1990, it will be credited even if a redeposit is made. If the refunded service was performed after October 1, 1990, it will be credited even if a redeposit is not made but the annuity will be actuarially reduced.

Nondeduction service performed on or after October 1, 1983, is not creditable if a deposit has not been made.

Active military service performed after December 31, 1956, is not creditable for employees first employed in a covered position after September 30, 1982, unless military deposit for the service has been made. Unused sick leave is creditable in computing benefits. Sick leave is converted into days/months of service using the Sick Leave Chart in the OPM Operation Manual.

To estimate retirement benefits under CSRS the following process is used:

1. Determine the three consecutive years during which the employee's rate of basic pay was highest – this will normally be the last three years prior to retirement. These figures usually can be obtained from the employee's payroll office.
 - Average these amounts – $(\text{Salary 1} + \text{Salary 2} + \text{Salary 3}) / 3$
 - Multiply this amount by:
 - 1.50% (0.0150) for each of the first 5 years
 - 1.75% (0.0175) for each of the next 5 years
 - 2.00% (0.0200) for each year of service over 10 years
2. Add up these amounts
3. Divide the result by 12 to get the monthly annuity

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The basic annuity of an employee may not exceed 80 percent of the employee's high-3 average pay. Normally, total service of 41 years and 11 months produces the maximum annuity. Unused sick leave is not included in determining the maximum amount and, when added, may increase the annuity beyond 80 percent.

The annuity computed in the formula above is reduced in the following order when any of these reductions are applicable:

1. Reduction for retirement before age 55. In cases of early voluntary or discontinued service retirement the annuity is reduced by one-sixth of 1 percent for each full month (2 percent per year) the employee is under age 55.
2. Reduction for unpaid deposits for nondeductions service performed prior to October 1, 1982. The annual annuity is reduced by 10 percent of the unpaid deposit amount, including interest.
3. Reduction for survivor annuity. The annuity of a retiree who has a current spouse must be fully reduced to provide a survivor annuity unless the employee and spouse jointly waive the annuity or elect less than the maximum amount. A court may also require the employees to provide survivor benefits for a former spouse. The reduction is 2.5 percent of the amount up to \$3,600 elected as the base for the survivor benefit, plus 10 percent of the amount of the base that exceeds \$3,600.
4. Reduction for unpaid redeposit covering service that ended before October 1, 1990. An employee is provided the option to pay a redeposit for such service at retirement. If the employee is provided the option to pay a redeposit for such service at retirement. If the employee elects not to pay a redeposit, the annuity is actuarially reduced. This reduction is based on the employee's lump-sum credit and age at retirement using the CSRS Present Value Factor Chart in the OPM Operating Manual.

A CSRS disability annuitant receives the higher of:

The amount obtained under the general formula above; or

The 'guaranteed minimum' disability annuity which is the lesser of

40% x high-3 average salary (equivalent to annuity based on 21 years 11 months),

or

amount obtained under general formula with a projection of service to age 60 added.