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§ 842.405 Air traffic controllers, firefighters, and law enforcement officers.

The annuity of an air traffic controller retiring under § 842.207 or a law enforcement officer or firefighter retiring under § 842.208 is—

(a) One and seven-tenths percent of average pay multiplied by 20 years; plus

(b) One percent of average pay multiplied by the years of service exceeding 20 years.

§ 842.406 Members of Congress and Congressional employees.

The annuity of an employee or Member who has had at least 5 years of service as a congressional employee, Member, or any combination thereof totaling 5 years is—

(a) One and seven-tenths percent of average pay multiplied by the total number of years of service as a Member and/or congressional employee not exceeding 20 years: plus

(b) One percent of average pay multiplied by the years of service other than that of a Member and/or congressional employee.

§ 842.407 Proration of annuity for part-time service.

The annuity of an employee whose service includes part-time service is computed in accordance with § 842.403, using the average pay based on the annual rate of basic pay for full-time service. This amount is then multiplied by the proration factor. The result is the annual rate of annuity before reductions for retirement before age 62, survivor benefits, or the reduction for an alternative form of annuity required by § 842.706.

[52 FR 22436, June 12, 1987]

Subpart E—Annuity Supplement

SOURCE: 52 FR 4479, Feb. 11, 1987, unless otherwise noted.

§ 842.501 Purpose.

This subpart regulates the annuity supplement payable to eligible employees under sections 8421 and 8421(a) of title 5, United State Code.

§ 842.502 Definitions.

In this subpart—

Age 62 means the day before an individual's sixty-second birthday.

Annuity Supplement means the monthly benefit described in § 842.504.

Applicable exempt amount and *earnings* have the same meanings as in section 203 of the Social Security Act.

Excess earnings means 50 percent of an individual's earnings which exceed the applicable exempt amount during a calendar year or, if less, an amount equal to the total annuity supplement paid to the individual in that year, but does not include earnings prior to an individual's attainment of the minimum retirement age.

FERS means chapter 84 of title 5, United States Code.

Minimum retirement age has the same meaning as in § 842.202.

Test year means the calendar year immediately before the one in which any reductions required by 5 U.S.C. 8421a and § 842.505 are applied.

§ 842.503 Eligibility for annuity supplement.

(a) Except as provided in paragraph (b) of this section, an employee or Member receiving an annuity under any of the following sections is entitled to receive an annuity supplement:

(1) Section 842.204(a)(1) if the employee or Member has completed at least 30 years of service;

(2) Section 842.204(a)(2) governing retirement at age 60 with 20 years of service;

(3) Section 842.205 governing retirement at age 50 with 20 years of service or at any age during a major reorganization or reduction in force;

(4) Section 842.206 governing discontinued service retirement;

(5) Section 842.07 governing early retirement for air traffic controllers;

(6) Section 842.208 governing early retirement for law enforcement officers;

(7) Section 842.209 governing early retirement for Members of Congress;

(8) Section 842.210 governing early retirement for military reserve technicians; or

(9) Section 842.211 governing early retirement for members of the Senior Executive Service.

(b) An employee or Member who retires under any of the following sections before attaining the minimum retirement age is not entitled to receive an annuity supplement until he or she attains that age:

(1) Section 842.205;

(2) Section 842.206;

(3) Section 842.209; or

(4) Section 842.211, except that an individual entitled to an annuity under 5 U.S.C. 8414(a) for failure to be recertified as a senior executive shall be entitled to an annuity supplement without regard to the minimum retirement age.

(c) An employee or Member ceases to be entitled to an annuity supplement on the earlier of—

(1) The last day of the month in which the individual becomes age 62; or

(2) The last day of the month before the first month for which the individual would, upon proper application, be entitled to social security benefits.

[52 FR 4479, Feb. 11, 1987, as amended at 56 FR 173, Jan. 3, 1991]

§ 842.504 Amount of annuity supplement.

(a) Subject to paragraph (b) of this section, an annuity supplement is an amount equal to the old-age insurance benefit payable under title II of the Social Security Act, multiplied by a fraction—

(1) The numerator of which is the annuitant's total service creditable under FERS, excluding military service not performed during an absence of leave without pay from civilian service, rounded to the nearest whole number of years not exceeding 40 years; and

(2) The denominator of which is 40.

(b)(1) The benefit referred to in paragraph (a) of this section is computed—

(i) As if the annuitant were age 62 and fully insured on January 1 of the year the annuity supplement commences;

(ii) Without regard to the Social Security earnings test (section 203 of the Social Security Act);

(iii) Without regard to the Social Security windfall elimination provisions (sections 215(a)(7) and 215(d)(5) of the Social Security Act); and

(iv) Using the actuarial reduction (section 202(q) of the Social Security Act) prescribed in the following table:

Year of Birth	Reduction (percent)
1937 and before	20
1938	20 5/6
1939	21 2/3
1940	22 1/2
1941	23 1/3
1942	24 1/6
1943–54	25
1955	25 5/6
1956	26 2/3
1957	27 1/2
1958	28 1/3
1959	29 1/6
1960 and later	30

(2) In computing the primary insurance amount—

(i) The number of elapsed years used to compute the number of benefit computation years does not include the years beginning with the year in which the annuity supplement commences;

(ii) For an employee or Member who retires under §§ 842.205, 842.206, 842.209, or 842.211 before reaching the minimum retirement age, wages in calendar years beginning after the date of separation on which the retirement is based, are deemed to be zero.

(iii) Only basic pay for full calendar years of service creditable under FERS is taken into account in computing the retiree's wages for a benefit computation year;

(iv) For a benefit computation year after age 21 during which the retiree did not perform a full calendar year of service creditable under FERS the retiree's wages are deemed to equal the product of—

(A) The amount in appendix B of subpart C of part 843 corresponding to that year, multiplied by

(B) A fraction—

(*1*) The numerator of which is the retiree's basic pay for his or her first full year of service creditable under FERS; and

(*2*) The denominator of which is the amount in appendix B of subpart C of part 843, corresponding to the retiree's first full year of service creditable under FERS.