AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

(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.

§ 842.505 Reduction in annuity supplement because of excess earnings.

(a)(1) Except as provided in paragraphs (a)(2) and (b) of this section, the annuity supplement payable under § 842.504 is reduced by excess earnings in the test year, divided by twelve.

(2) Any annuity supplement payable during the year in which an individual loses entitlement to the annuity supplement by reason of § 842.503(c) is reduced by excess earnings in the test year divided by the number of months for which the annuity supplement is payable.

(b) Any reduction in the annuity supplement during a month because of excess earnings may not exceed the amount of annuity supplement payable during that month.

(c) Earnings and estimated earnings for each test year will be furnished by retirees in a form prescribed by OPM.

(d) Failure to furnish earnings and estimated earnings in the form or at the times prescribed by OPM is cause to suspend payment of the supplement until the annuitant establishes to the satisfaction of OPM that he/she continues to be eligible for the supplement.

(e) The reductions described in paragraphs (a) and (b) of this section are not subject to the due process procedures described in 5 U.S.C. 8461(e).

Subpart F—Survivor Elections

SOURCE: 52 FR 2061, Jan. 16, 1987, unless otherwise noted.

§ 842.601 Purpose.

This subpart explains the survivor annuity elections available under FERS for retirees, and retiring employees and Members, and the actions that they must take to provide these survivor annuities.

§ 842.602 Definitions.

In this subpart—

Current spouse means a living person who is married to the employee, Member, or retiree at the time of the employee's, Member's, or retiree's death.

Current spouse annuity means a recurring benefit under FERS that is payable (after the employee's, Member's or retiree's death) to a current spouse who meets the requirements of § 843.303 of this chapter.

Deposit means a deposit required to provide a survivor benefit. *Deposit,* as used in this subpart, does not include a service credit deposit or redeposit.

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

First regular monthly payment means the first annuity check payable on a recurring basis (other than an estimated payment or an adjustment check) after OPM has initially adjudicated the regular rate of annuity payable under FERS and has paid the annuity accrued since the time of retirement. The *first regular monthly payment* is generally preceded by estimated payments before the claim can be adjudicated and by an adjustment check (including the difference between the estimated rate and the initially adjudicated rate).

Former spouse means a living person who was married for at least 9 months to an employee, Member, or retiree who performed at least 18 months of creditable service under FERS. The ''former spouse's'' marriage to the employee must have been terminated prior to the death of the employee, Member, or retiree.

Former spouse annuity means a recurring benefit under FERS that is payable to a former spouse after the employee's, Member's, or retiree's death.

Fully reduced annuity means the recurring payments under FERS received by a retiree who has elected the maximum reduction in his or her annuity to provide a current spouse annuity and/or a former spouse annuity or annuities.

Insurable interest rate means the recurring payments under FERS to a retireee who has elected a reduction in annuity to provide a survivor annuity to a person with an insurable interest in the retiree.

Marriage has the same meaning as in § 843.102 of this chapter.

Member means a Member of Congress.

Net annuity means the net annuity as defined in § 838.103 of this chapter.

One-half reduced annuity means the recurring payments under FERS received by a retiree who has elected one-half of the full reduction in his or