

**§ 29.345**

(b) In cases in which the amount of death benefits is not determined by length of service, the amount of Federal Benefit Payments is calculated by multiplying the amount of the total benefit payable by the number of full months of service through June 30, 1997, and then dividing by the number of months of total service at retirement (for elected survivor benefits) or death (for guaranteed-minimum death-in-service survivor benefits). (See example 13 of appendix A of this subpart.)

**§ 29.345 Cost-of-living adjustments.**

Cost-of-living increases are applied directly to Federal Benefit Payments, rather than computed on the total benefit and then prorated. (See example 14 of appendix A of this subpart.)

**§ 29.346 Reduction for survivor benefits.**

(a) If a retiree designates a base for a survivor annuity that is greater than or equal to the unreduced Federal Benefit Payment, the applicable plan's annuity reduction formula is applied to the unreduced Federal Benefit Payment to determine the reduced Federal Benefit Payment. (See example 10 of appendix A of this subpart.)

(b) If a retiree designates a base for a survivor annuity that is less than the amount of the Federal Benefit Payment, the entire survivor reduction applies to the Federal Benefit Payment to determine the reduced Federal Benefit Payment.

**APPENDIX A TO SUBPART C OF PART 29—  
EXAMPLES**

This appendix contains sample calculations of Federal Benefit Payments in a variety of situations.

**OPTIONAL RETIREMENT EXAMPLES**

**EXAMPLE 1: NO UNUSED SICK LEAVE**

A. In this example, an individual covered by the Police and Firefighters Plan hired before 1980 retires in October 1997. At retirement, he is age 51 with 20 years and 3 days of departmental service plus 3 years, 4 months, and 21 days of military service that preceded the departmental service. The Federal Benefit Payment begins at retirement. It is based on the 19 years, 8 months, and 22 days of departmental service and 3 years, 4 months, and 21 days of military service performed as of June 30, 1997. Thus, the Federal

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Benefit Payment is based on 23 years and 1 month of service, all at the 2.5 percent accrual rate. The total annuity is based on 23 years and 4 months of service, all at the 2.5 percent accrual rate.

**EXAMPLE 1A—POLICE OPTIONAL  
[Pre-80 hire]**

**Total Annuity Computation**

Birth date: 09/10/46  
Hire date: 10/09/77  
Separation date: 10/11/97  
Department service: 20/00/03  
Other service: 03/04/21  
Sick leave:  
.025 service: 23.333333  
.03 service:  
Average salary: \$45,680.80  
Total: \$26,647.12  
Total/month: \$2,221.00

**Federal Benefit Payment Computation**

Birth date: 9/10/46  
Hire date: 10/09/77  
Freeze date: 06/30/97  
Department service: 19/08/22  
Other service: 03/04/21  
Sick leave:  
.025 service: 23.083333  
.03 service:  
Average salary: \$45,680.80  
Total: \$26,361.61  
Total/month: \$2,197.00

B. In this example, the individual covered by the Police and Firefighters Plan was hired earlier than in example 1A and thus performed more service as of both June 30, 1997, and retirement in October 1997. At retirement, he is age 51 with 21 years, 11 months and 29 days of departmental service plus 3 years, 4 months, and 21 days of military service that preceded the departmental service. The Federal Benefit Payment begins at retirement. It is based on the 21 years, 8 months, and 18 days of departmental service and 3 years, 4 months, and 21 days of military service performed as of June 30, 1997. Thus, the Federal Benefit Payment is based on 25 years and 1 month of service, 1 year and 8 months at the 3.0 percent accrual rate and 23 years and 5 months at the 2.5 percent accrual rate (including 1 month consisting of 18 days of departmental service and 21 days of other service). The total annuity is based on 25 years and 4 months of service, 1 year and 11 months at the 3.0 percent accrual rate and 23 years and 5 months at the 2.5 percent accrual rate (including 1 month consisting of 29 days of departmental service and 21 days of other service).

**EXAMPLE 1B—POLICE OPTIONAL  
[Pre-80 hire]**

**Total Annuity Computation**

Birth date: 09/10/46