

including the employee contributions, are as follows:

	Percent
Members .....	29.4
Congressional employees .....	34.9
Law enforcement officers, members of the Supreme Court Police, firefighters, nuclear materials couriers and employees under section 302 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees .....	42.5
Air traffic controllers .....	38.9
All other employees, without offset .....	25.2

The Government wide normal cost percentages for CSRS offset, including the employee contributions, are as follows:

	Percent
Members offset .....	27.1
Congressional employees offset ..	29.9
Law enforcement officers, members of the Supreme Court Police, firefighters, nuclear materials couriers and employees under section 302 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees offset .....	38.0
Air traffic controllers offset .....	34.6
All other employees, with offset ...	19.5

These normal cost percentages are effective at the beginning of the first pay period commencing on or after October 1, 2007.

Office of Personnel Management.

**Linda M. Springer,**

*Director.*

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**BILLING CODE 6325-38-P**

## OFFICE OF PERSONNEL MANAGEMENT

### Civil Service Retirement System; Present Value Factors

**AGENCY:** Office of Personnel Management.

**ACTION:** Notice.

**SUMMARY:** The Office of Personnel Management (OPM) is providing notice of adjusted present value factors applicable to retirees under the Civil Service Retirement System (CSRS) who elect to provide survivor annuity benefits to a spouse based on post-retirement marriage and to retiring employees who elect the alternative form of annuity, owe certain redeposits based on refunds of contributions for service before October 1, 1990, or elect

to credit certain service with nonappropriated fund instrumentalities. This notice is necessary to conform the present value factors to changes in economic assumptions and demographic factors adopted by the Board of Actuaries of the Civil Service Retirement System.

**DATES: Effective Date:** The revised present value factors apply to survivor reductions or employee annuities that commence on or after October 1, 2007.

**ADDRESSES:** Send requests for actuarial assumptions and data to the Board of Actuaries, care of Gregory Kissel, Manager, Office of Actuaries, Strategic Human Resources Policy Division, Office of Personnel Management, Room 4307, Washington, DC 20415.

**FOR FURTHER INFORMATION CONTACT:** Jessica Johnson, (202) 606-0299.

**SUPPLEMENTARY INFORMATION:** Several provisions of CSRS require reduction of annuities on an actuarial basis. Under each of these provisions, OPM is required to issue regulations on the method of determining the reduction to ensure that the present value of the reduced annuity plus a lump sum equals, to the extent practicable, the present value of the unreduced benefit. The regulations for each of these benefits provide that OPM will publish a notice in the **Federal Register** whenever it changes the factors used to compute the present values of these benefits.

Section 831.2205(a) of title 5, Code of Federal Regulations, prescribes the method for computing the reduction in the beginning rate of annuity payable to a retiree who elects an alternative form of annuity under 5 U.S.C. 8343a. That reduction is required to produce an annuity that is the actuarial equivalent of the annuity of a retiree who does not elect an alternative form of annuity. The present value factors listed below are used to compute the annuity reduction under section 831.2205(a) of title 5, Code of Federal Regulations.

Section 831.303(c) of title 5, Code of Federal Regulations, prescribes the use of these factors for computing the reduction to complete payment of certain redeposits of refunded deductions based on periods of service that ended before October 1, 1990, under section 8334(d)(2) of title 5, United States Code.

Section 831.663 of title 5, Code of Federal Regulations, prescribes the use of similar factors for computing the reduction required for certain elections to provide survivor annuity benefits based on a post-retirement marriage under section 8339(j)(5)(C) or (k)(2) of title 5, United States Code. Under

section 11004 of the Omnibus Budget Reconciliation Act of 1993, Public Law 103-66, effective October 1, 1993, OPM ceased collection of these survivor election deposits by means of either a lump-sum payment or installments. Instead, OPM is required to establish a permanent actuarial reduction in the annuity of the retiree. This means that OPM must take the amount of the deposit computed under the old law and translate it into a lifetime reduction in the retiree's benefit. The reduction is based on actuarial tables, similar to those used for alternative forms of annuity under section 8343a of title 5, United States Code.

Subpart F of part 847 of title 5, Code of Federal Regulations, prescribes the use of similar factors for computing the deficiency the retiree must pay to receive credit for certain service with nonappropriated fund instrumentalities made creditable by an election under section 1043 of Public Law 104-106.

The present value factors currently in effect were published by OPM (69 FR 52944) on August 30, 2004. Elsewhere in today's **Federal Register**, OPM published a notice to revise the normal cost percentage under the Federal Employees' Retirement System (FERS) Act of 1986, Public Law 99-335, based on changed economic assumptions and demographic factors adopted by the Board of Actuaries of the CSRS. Those changed economic assumptions require corresponding changes in CSRS normal costs and present value factors used to produce actuarially equivalent benefits when required by the Civil Service Retirement Act. The revised factors will become effective in October 2007 to correspond with the changes in CSRS normal cost percentages. For alternative forms of annuity and redeposits of employee contributions, the new factors will apply to annuities that commence on or after October 1, 2007. See 5 CFR 831.2205 and 831.303(c). For survivor election deposits, the new factors will apply to survivor reductions that commence on or after October 1, 2007. See 5 CFR 831.663(c) and (d). For obtaining credit for service with certain nonappropriated fund instrumentalities, the new factors will apply to cases in which the date of computation under section 847.603 of title 5, Code of Federal Regulations, is on or after October 1, 2007. See 5 CFR 847.602(c) and 847.603.

OPM is, therefore, revising the tables of present value factors to read as follows:

**CSRS PRESENT VALUE FACTORS APPLICABLE TO ANNUITY PAYABLE FOLLOWING AN ELECTION UNDER SECTION 8339(J) OR (K) OR SECTION 8343A OF TITLE 5, UNITED STATES CODE, OR UNDER SECTION 1043 OF PUBLIC LAW 104-106 OR FOLLOWING A REDEPOSIT UNDER SECTION 8334(D)(2) OF TITLE 5, UNITED STATES CODE**

Age	Present value factor
40	289.1
41	285.5
42	282.1
43	278.8
44	275.3
45	271.4
46	267.2
47	262.9
48	258.6
49	253.6
50	248.6
51	244.1
52	239.7
53	234.9
54	229.8
55	224.6
56	219.4
57	214.2
58	209.1
59	203.9
60	198.8
61	193.2
62	187.4
63	181.7
64	176.0
65	170.2
66	164.5
67	159.0
68	153.4
69	147.7
70	142.0
71	136.3
72	130.5
73	124.9
74	119.4
75	113.8
76	108.6
77	103.6
78	98.2
79	92.8
80	87.6
81	82.2
82	76.6
83	71.8
84	67.7
85	63.4
86	58.8
87	54.7
88	51.2
89	47.9
90	43.6

**CSRS PRESENT VALUE FACTORS APPLICABLE TO ANNUITY PAYABLE FOLLOWING AN ELECTION UNDER SECTION 1043 OF PUBLIC LAW 104-106 (FOR AGES AT CALCULATION BELOW 40)**

Age at calculation	Present value of a monthly annuity
17	336.3
18	334.7
19	333.0
20	331.3
21	329.5
22	327.7
23	325.8
24	323.9
25	321.9
26	319.8
27	317.6
28	315.5
29	313.3
30	310.9
31	308.5
32	306.1
33	303.5
34	300.8
35	298.1
36	295.4
37	292.5
38	289.5
39	286.4

U.S. Office of Personnel Management.  
**Linda M. Springer**,  
*Director*.  
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**OFFICE OF PERSONNEL MANAGEMENT**

**Federal Employees' Retirement System; Present Value Factors**

**AGENCY:** Office of Personnel Management.

**ACTION:** Notice.

**SUMMARY:** The Office of Personnel Management (OPM) is providing notice of adjusted present value factors applicable to retirees who elect to provide survivor annuity benefits to a spouse based on post-retirement marriage, and to retiring employees who elect the alternative form of annuity or elect to credit certain service with nonappropriated fund instrumentalities. This notice is necessary to conform the present value factors to changes in economic assumptions and demographic factors adopted by the Board of Actuaries of the Civil Service Retirement System.

**DATES:** The revised present value factors apply to survivor reductions or

employee annuities that commence on or after October 1, 2007.

**ADDRESSES:** Send requests for actuarial assumptions and data to the Office of Actuaries, Strategic Human Resources Policy Division, Office of Personnel Management, Room 4307, 1900 E Street, NW., Washington, DC 20415.

**FOR FURTHER INFORMATION CONTACT:** Jessica Johnson, (202) 606-0299.

**SUPPLEMENTARY INFORMATION:** Several provisions of the Federal Employees' Retirement System (FERS) require reduction of annuities on an actuarial basis. Under each of these provisions, OPM is required to issue regulations on the method of determining the reduction to ensure that the present value of the reduced annuity plus a lump sum equals, to the extent practicable, the present value of the unreduced benefit. The regulations for each of these benefits provide that OPM will publish a notice in the **Federal Register** whenever it changes the factors used to compute the present values of these benefits.

Section 842.706(a) of title 5, Code of Federal Regulations, prescribes the method for computing the reduction in the beginning rate of annuity payable to a retiree who elects an alternative form of annuity under 5 U.S.C. 8420a. That reduction is required to produce an annuity that is the actuarial equivalent of the annuity of a retiree who does not elect an alternative form of annuity. The present value factors listed below are used to compute the annuity reduction under 5 CFR 842.706(a).

Section 842.615 of title 5, Code of Federal Regulations, prescribes the use of these factors for computing the reduction required for certain elections to provide survivor annuity benefits based on a post-retirement marriage or divorce under 5 U.S.C. 8416(b), 8416(c), or 8417(b). Under section 11004 of the Omnibus Budget Reconciliation Act of 1993, Public Law 103-66, 107 Stat. 312, effective October 1, 1993, OPM ceased collection of these survivor election deposits by means of either a lump-sum payment or installments. Instead, OPM is required to establish a permanent actuarial reduction in the annuity of the retiree. This means that OPM must take the amount of the deposit computed under the old law and translate it into a lifetime reduction in the retiree's benefit. The reduction is based on actuarial tables, similar to those used for alternative forms of annuity under section 8420a of title 5, United States Code.

Subpart F of part 847 of title 5, Code of Federal Regulations, prescribes the use of similar factors for computing the