



National Postal Mail Handlers Union

THE BREAKDOWN



NPMHU LOCAL 308
STRENGTH & HONOR

A DIVISION OF THE LABORERS'
INTERNATIONAL UNION OF NORTH
AMERICA, AFL-CIO 1308

Union

Representatives

Local President

Frank Phillips

Branch President

John Gibson

Chief Stewards

T-1

Jeanette Lanza

T-2

Louis Morrone

T-3

Joyce Rogers

Reg. Stewards

T-1

Stephanie Geter

T-2

Mike Myles

Rob Singleton

Joe Zelenenki

Gary Simmons

T-3

Mike Mohan

Robert Hall

Robin Fowler

Alt. Stewards

T-2

Sandra Dudley

Velma Jackson

Keith Johnston

Jeanne Gladilina

Joseph Zeuggin

Vol. XXVIII

2007

Federal Employees' Retirement System

How is the amount of an employee's FERS annuity determined?

The amount depends on an employee's length of service and his or her "high-3" average salary.

How is an employee's length of service computed?

All periods of creditable service are added together, including post-1956 military service for which a deposit has been made. The odd days under 30 are dropped and the time (years and months) remaining is the length of time used in the annuity calculation.

How is an employee's "high-3" average salary computed?

The "high-3" average salary is the highest salary obtainable by averaging the rates of basic pay in effect during any three consecutive years of service. Note that basic pay does not include unrolled-in COLA or any premium pay. Also note that, for the purposes of computing an employee's "high-3," a year does not have to be a calendar year (i.e., from January 1 to December 31).

What is the formula for calculating a FERS retirement annuity?

For employees who retire before age 62, the annual annuity for FERS-covered service is calculated by multiplying the number of years of service under FERS times one percent- times the average of the employee's highest three consecutive years of basic pay, the employee's so-called "high-3" average. For employees who retire at age 62 or older with at least 20 years of service, the benefit is 1.1 percent times the employee's years of service under FERS- times the employee's "high-3" average salary.

Why are there two retirement systems (CSRS and FERS)?

In 1983, Congress passed the Social Security Act Amendments of 1983. These amendments were designed to bail out the nation's Social Security system. One of the amendments mandated Social Security coverage for all federal and postal employees hired on or after January 1, 1984. (Most federal and postal employees hired prior to 1984 participate in the Civil Service Retirement System and are *not* covered by Social Security.) Another of the amendments required that a new retirement plan be developed to supplement the Social Security benefits of federal and postal employees covered by Social Security. FERS is the supplemental retirement plan called for by the 1983 legislation.

What is the number for the Retirement Information Office of the U.S. Office of Personnel Management?

Toll Free 1-888-767-6738, or in Washington, D.C. 202-606-0500.

Where can I call for Social Security information?

1-800-772-1213