



New year, same old issues

As the new year sails toward spring, it is time for us to revisit some “same old” issues. The annuity recalculation for 2006 retirees who received back pay under the 2006 National Agreement appears to be slowly taking place, with reports that many of those affected have seen their annuities adjusted. We will continue to monitor this process until all identified have been corrected.

It appears that the Office of Personnel Management (OPM) is understaffed for dealing with retirement issues since its modernization program is still not functional. With its downsizing based upon that program being operational, it is struggling to catch up. While letter carriers can relate to not having enough employees to get the job done, it still doesn't help the customers who, in OPM's case, are the federal retirees.

Premium Conversion, Windfall Elimination and Government Pension Offset

Once again, these will be the issues being discussed in the new Congress. While some low-level discussions have been held attempting to tie some of these endeavors to the stimulus package, this type of action appears very unlikely. Rep. Howard Berman (D-CA) has introduced H.R. 235, calling for the repeal of WEP and GPO, which attack the earnings of affected retirees. The NALC will be monitoring and assisting as this measure moves through the House.

For those who have taken retirement under FERS and are eligible for or are receiving the FERS supplement, remember that this income has the same earnings restriction that is imposed on those receiving Social Security. The earnings limit for 2009 is \$14,160 per year, or \$1,080 per month for partial-year limitations. If you earn more than this amount, your supplement or Social Security benefits will be reduced one dollar for each two dollars earned above that amount.

Additionally, for those who have retired and have taken the opportunity to change health plans during the recent Open Season, you might incur some issues. OPM has reported that it inadvertently withheld the old insurance premiums from some annuity checks. This error was due to lateness in processing the changes in some plan elections. All corrections and adjustments should have been made in the March payment just received.

Deferred annuities

Deferred annuities involves a person who leaves the USPS prior to being eligible for regular retirement, with plans to retire at a later date when they become eligible. If a person should die while in this waiting period, their surviving spouse would have no entitlement to any annuity, since none had been earned. The estate of the deceased would only be entitled to any funds contributed to the retirement plan prior to leaving the service. Also, health benefit entitlements are lost under a CSRS-deferred annuity and are suspended with FERS-deferred retirement.

This same loss of entitlement can occur when a person is on workers' compensation (OWCP) and is subsequently separated from the USPS. While they continue to draw their entitlement from the Department of Labor, they are not an employee. If they should die from a condition *other than* a job-related injury/illness, their spouse would lose that income. A person who is on OWCP and has been separated from the rolls of the federal agency needs to file for disability retirement within one year of the separation. If they are eligible for regular retirement at the time of separation, they also need to apply. They can elect to remain on compensation, but it would guarantee their surviving spouse an annuity should death occur outside the compensatory condition.

Military service credit

Members who have military service credit should make sure they understand any benefits or requirements if they intend to use this time for credit toward their retirement. While one rule does not fit all, there are simple questions and answers that will help you decide. If you do not fully understand your options, please review the NALC publications *Questions and Answers on CSRS* or *Questions and Answers on FERS*. These booklets should be available from your branch or your National Business Agent's office. If you still have questions, call us at the number below. ☒

NALC Retirement Department
Toll-free number: 1-800-424-5186
Available Monday, Wednesday and Thursday only
from 10 a.m. to noon and from 2 to 4 p.m. (Eastern time)
*This toll-free number is answered ONLY during these hours
on the days indicated.*