Prior to April 7, 1986, employees received full-time credit for each year employed, regardless of the number of hours worked. A part-time employee who worked only 20 hours per week would still receive full credit for that year toward his or her annuity. Legislation that took effect in April 1986 changed that. After April 7, 1986, a pro-rata earnings is given for each period of part-time service. An employee who works 20 hours a week now earns only partial credit for that year. While employees still receive a full year’s credit toward determining years of service for retirement eligibility, they no longer earn the same annuity as they did previously.

When reaching retirement eligibility (age and years of service), annuities are calculated with a full-time or part-time credit application. All “high-3” calculations are based on full-time base salaries, so a part-time employee retiring would have the same high-3 as a full-time employee, but their annuity could differ.

Below is a simple calculation for both CSRS and FERS retirees.

**Example 1:**
John was employed on April 1, 1980, at age 26 as a CSRS city letter carrier. On April 1, 1990, he was promoted to full-time and retired April 1, 2010, after 30 years of service. From April 1, 1980, until April 1, 1990, John worked 32 hours weekly. (For OPM calculation purposes, 2,087 hours is a work year.)

Johns’ employment history shows the following:
- High-3 earnings period = $53,000
- 30 years CSRS annuity = 56.25% of high-3 or a $29,813 yearly full-time annuity. This is what the retiree would receive if he had been full-time for the entire 30 years.

<table>
<thead>
<tr>
<th>Period</th>
<th>Hours Worked</th>
<th>Rate of Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/1990-4/2010</td>
<td>2,087</td>
<td>Full-time</td>
</tr>
</tbody>
</table>

Total work hours = 60,534 hours
Possible work hours = 30 years’ time @ 2,087 hours = 60,534 hours
The annuity would then be based upon 60,534 / 62,610 = 96.68%
This figure represents the fact that John worked 96.68 percent of a full-time schedule for his 30-year career. $29,813 x 96.68% = $28,823 yearly annuity.

**Example 2:**
Sally was employed on April 1, 1984, at age 25 as a FERS city letter carrier. On April 1, 1994, she was promoted to a full-time employee. From April 1, 1984, until April 1, 1990, Sally also worked 32 hours each week. Sally plans to retire in April 2014 with 30 years’ service. Her annuity will look something like this: (Again there are 2,087 hours in a work year.)

Sally’s’ employment history shows the following:
- High-3 earnings period = $56,000
- 30 years FERS annuity = 30% of high-3 = $16,800 yearly full-time annuity. This is what the retiree would receive if she had been full-time for the entire 30 years.

<table>
<thead>
<tr>
<th>Period</th>
<th>Hours Worked</th>
<th>Rate of Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/1984-4/1990</td>
<td>1,565</td>
<td>Part-time</td>
</tr>
<tr>
<td>4/1990-4/2014</td>
<td>2,087</td>
<td>Full-time</td>
</tr>
</tbody>
</table>

Total work hours = 59,478 hours
Possible work hours = 30 years time @ 2,087 per year = 62,610 hours
The annuity would then be 59,478 / 62,610 = 95%
This figure represents the fact that Sally worked 95 percent of a full-time schedule for her 30-year career. $16,800 base annuity x 95% = $15,960 yearly annuity.

Annuity projections from the USPS or NALC are based on full-time employment, so final annuities will be smaller for retirees who worked part-time after April 7, 1986, with any adjustment determined by the total number of part-time hours worked.

**Calculation on recomputation**
My July *Postal Record* article failed to include that when a FERS disability is refigured at age 62, the average salary used in the computation will be increased by all FERS cost-of-living increases paid during the time the employee was receiving disability annuity.