

**Contract Administration Unit**

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# Retirement annuity estimates

**A**lthough the Office of Personnel Management (OPM) is the government agency that is responsible for administering the Federal Employee Retirement System (FERS), the Postal Service provides annuity estimates and information necessary for employees to retire. Annuity estimates are vital to making fully informed decisions. There are many factors that may affect an annuity, and employees have a right to request estimates to include special circumstances. For instance, employees may request estimates with and without military deposit to help determine whether they should make the deposit.

Article 21.3 of the National Agreement affirms that 5 USC 83 (CSRS) and 5 USC 84 (FERS) applies to career City Letter Carriers. The *Joint Contract Administration Manual (JCAM)* Article 21.3 explains:

CSRS and FERS Retirement. Letter carriers are covered by federal retirement law guaranteeing them retirement annuities. Each carrier is covered by either the Civil Service Retirement System (CSRS) or by the newer Federal Employees Retirement System (FERS). More detailed retirement information is contained in the ELM Sections 560 and 580.

5 USC 8347 and 5 USC 8461 give the Office of Personnel Management (OPM) the authority to administer and promulgate regulations necessary to administer the retirement systems. The rules and procedures outlined by OPM can be found in the *CSRS-FERS Handbook*. This handbook details agency responsibilities.

5 USC 8350 establishes a program by OPM to train the retirement counselors of the agencies of the federal government, such as the Postal Service. The statute goes on to state that such counselors:

...shall be designed to promote fully informed retirement decisions by employees and Members under this subchapter [CSRS] and individuals subject to chapter 84 of this title [FERS]...

CSRS-FERS Handbook 1A1.1-1 Overview:

[This] Handbook contains the instructions agency personnel and payroll offices need to carry out their responsibilities for basic benefits under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS).

The rules created by OPM place a responsibility on the Postal Service to provide information employees may need to retire. CSRS-FERS Handbook Chapter 40A2.1-1.B:

It is the agency's responsibility to guide the employee through the retirement process, supplying all of the information the employee may need about retirement and continuing insurance coverage into retirement. The agency is responsible for giving the employee an all-inclusive presentation of the retirement process that the employee needs for successful retirement planning....

CSRS-FERS Handbook Chapter 40A2.1-1B Agency Responsibility:

It is the agency's responsibility to guide the employee through the retirement process, supplying all of the information the employee may need about retirement...

CSRS-FERS Handbook, Chapter 40A2.1-3.N Annuity Estimates:

When applicable, the agency is responsible for providing any of the following annuity estimates upon request...

The above provision goes on to list several factors that can affect the annuity estimate such as: military retired pay, military deposits, civilian service deposits and redeposits, survivor benefit elections, insurable interest annuity, voluntary contributions, alternative annuity, and the annuity supplement.

Some of the regulations created by OPM to administer the retirement systems are echoed in the Postal Service handbook, the *Employee and Labor Relations Manual (ELM)*. ELM Section 560 covers CSRS and Section 580 covers FERS and details management's responsibilities. The following FERS provisions mirror the CSRS provisions found in Section 560.

## ELM 589.11 Responsibility

The Postal Service ensures that retirement information and counseling are made available to Postal Service employees.

## ELM 589.12 Retirement Annuity Estimates

Retirement annuity estimates are provided to all employees through the use of the National Retirement Counseling System (NARECS) as follows:

- Upon request within three years of an employee's first optional retirement eligibility date, based on payroll and personnel system-generated retirement computation date.
- Automatically once each year, once age and service eligibility criteria for optional retirement have been met.
- Through the Postal Service's self-service, web-based application, eRetire.

## ELM 589.142 Counseling Session Content

Before scheduling the counseling session, the retirement specialist orders an annuity estimate, based on the retirement effective date and type of retirement (optional, disability, etc.) requested by the employee, to be mailed to the employee's address of record.

**Remember that the Postal Service is only required to provide good faith estimates.** The actual annuity calculation will be performed by OPM. If the Postal Service will not provide the information and annuity estimates needed for one to make a fully informed decision, there should be a grievance investigation to see if the Postal Service is complying with the rules and regulations set forth by OPM. The laws and handbooks cited may be enforced via Articles 3, 5, 15, 19 and 21 of the National Agreement.