

The FERS Special Annuity Supplement



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Letter carriers retiring under the Federal Employees Retirement System (FERS) may be entitled to an additional (supplemental) annuity, known as the Special Annuity Supplement or Retiree Annuity Supplement. This supplement often is mistakenly called a “Social Security Supplement;” however, it is paid by the Office of Personnel Management (OPM), not by Social Security. And Social Security has no role in deciding whether a retiree is entitled to it.

The Special Annuity Supplement is just part of your annuity. It is not paid separately from your annuity—you will receive one check or deposit that includes the combined amount of your regular annuity and

the supplement. There is no separate or additional process to apply for the supplement. There is no form or box on the retirement forms to apply for the supplement. OPM will determine automatically whether you are entitled to the supplement, once you apply for retirement.

To be eligible for the Special Annuity Supplement, a retiring employee must meet one of the following age plus years of service combinations: 1) Minimum Retirement Age (MRA) plus 30 years of service, or 2) age 60 plus 20 years of service. An individual’s MRA depends on his or her year of birth.

Here is OPM’s chart for determining MRA:

If you were born	Your MRA is
Before 1948	55
In 1948	55 and 2 months
In 1949	55 and 4 months
In 1950	55 and 6 months
In 1951	55 and 8 months
In 1952	55 and 10 months
In 1953-1964	56
In 1965	56 and 2 months
In 1966	56 and 4 months
In 1967	56 and 6 months
In 1968	56 and 8 months
In 1969	56 and 10 months
In 1970 and after	57

You also may receive the supplement if you retire involuntarily before attaining your MRA or voluntarily because of a major reorganization or reduction in force. However, in these instances, you will not be eligible for the annuity supplement until you reach your MRA.

If you take a deferred retirement, a disability retirement

or an MRA+10* retirement, you will *not* be eligible for the annuity supplement.

The FERS annuity supplement is paid until the earlier of:

- the last day of the month in which you reach age 62, or
- the last day of the month before the first month for which you would be entitled to actual Social Security benefits.

The formula that OPM uses to calculate the amount of an individual retiree’s Special Annuity Supplement is complex. Fortunately, the Postal Service now provides Special Annuity Supplement estimates. To request an annuity estimate, head to liteblue.usps.gov or call Human Resources Shared Service Center at 877-477-3273. Although the actual calculation will be performed by OPM after you retire, this estimate will get you in the ballpark.

The FERS annuity supplement is subject to an earnings test. It is reduced if you earn more than the exempt amount of earnings in the immediately preceding year. In 2019, the exempt amount is \$17,640. The supplement is reduced by \$1 for every \$2 of earnings over the exempt level. It is possible that the supplement could be reduced to \$0. The reduction to the Special Annuity Supplement is applied the year following the year in which the earnings limit was exceeded. If you receive a supplement, you must report your earnings to OPM. You will receive instructions on how to report your earnings once you begin receiving the annuity supplement.

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Earnings for the year consist of the sum of wages for service performed in the year, plus all net earnings from self-employment for the year, minus any net loss from self-employment for the year. Income from investments, withdrawals from Thrift Savings Plan accounts, pensions (including the Special Annuity Supplement), etc., are not included in determining whether the earnings limit has been exceeded.

The Special Annuity Supplement is an important retirement benefit but is often misunderstood. FERS employees will best be able to make fully informed decisions about their own retirement when they understand the rules and provisions regarding it.

* MRA + 10 is an early retirement option available to FERS employees who reach their MRA and have more than 10 years, but less than 30 years, of creditable service. The MRA + 10 pension is reduced by 5 percent for every year under age 62 at the time of retirement, and no Special Annuity Supplement is allowed.