

Navigating your FERS Special Annuity Supplement: A clear guide



Dan Toth

For federal employees, getting ready for retirement means understanding all your benefits. One important part of this is the Federal Employees Retirement System (FERS) Special Annuity Supplement (referred to in this article as the Supplement). It can be a bit confusing, but this guide will help make it clear so you can plan your retirement well.

What is the FERS Special Annuity Supplement?

The Supplement is a temporary payment you get from the Office of Personnel Management (OPM). Think of it as a bridge to help you out financially between when you retire and when you turn 62, which is usually when Social Security benefits start. It's important to remember that this isn't a Social Security benefit; OPM handles it. You won't get a separate check for it; it's simply added to your regular retirement payment. You also don't need to apply for it separately; OPM automatically figures out if you qualify when you retire.

Does choosing my retirement date affect my Supplement?

OPM uses full calendar years (from Jan. 1 to Dec. 30 or 31) for calculating the Supplement; therefore, if you plan on retiring at the end of the year, it is recommended that you choose Dec. 30 or 31 as your retirement date.

Who can get it?

To get the Supplement, you need to meet certain age and service requirements at retirement: 1) Must be at or above the Minimum Retirement Age (MRA) with at least 30 years of service; 2) Or be age 60 with at least 20 years of service.

Your MRA depends on the year you were born. If you were born in 1968 or earlier, you have achieved your MRA. If you were born in 1969, you have an MRA of 56 and 10 months. If you were born in 1970 or later, your MRA is 57. To see the full MRA table, visit [opm.gov](https://www.opm.gov) or review the NALC's *Questions and Answers on the Federal*

Employees Retirement System.

There are some situations where you won't get the Supplement. This includes if you retire under a disability, deferred, or have an MRA+10 retirement. Also, if you retire at age 62 or older, you won't get the Supplement because that is the age at which you can apply for Social Security benefits.

The Supplement stops on the last day of the month you turn 62, or the month before you can start getting Social Security benefits, whichever happens first.

The earnings test: What if you work after retiring?

One important thing about the Supplement is that it has an "earnings test," much like Social Security. This means if you work after you retire and earn more than a certain amount in a year, your Supplement might be reduced. If you get the Supplement, you will have to report your earnings to OPM in a spring survey. For every \$2 you earn above the limit, your Supplement will be cut by \$1. The amount you can earn before your Supplement is affected is called the "exempt amount." In 2025, this amount was \$23,400. The exempt amount is the same as established by the Social Security Administration, which adjusts this number each year based on inflation.

It's good to know that any reduction to your Supplement happens July 1 in the year after you earned too much (e.g., if you exceed the limit in 2025, your Supplement would not be reduced until July 1, 2026). The reduction affects only the Supplement and not the basic benefit. So, if you earn above the limit in the year you turn 62, your Supplement won't be reduced the following year because it would have stopped by then anyway.

When figuring out your earnings, OPM looks at wages from a job and any money you make from being self-employed. Money from investments, pensions or your Thrift Savings Plan withdrawals does *not* count.

No cost-of-living adjustments

Another important detail is that the Supplement does not get cost-of-living adjustments (COLAs). This means that its value won't increase with inflation, so it might buy you less over time. This is why it's so important to plan your finances carefully for retirement.

(continued on page 35)

Family's health (continued)

(continued from previous page)

As with a flexible spending account, funds can be used to purchase medical items or services not covered by health insurance.

To learn more about specific benefit coverage or other wellness incentives, please contact one of our

knowledgeable customer service representatives.

Make sure to mention or ask about our other programs, which include:

- Your Health First Disease Management
- Healthy Pregnancies, Healthy Babies
- Tobacco cessation
- Annual pneumococcal vaccine

Director of
City Delivery

Vehicle familiarization training (continued)

(continued from page 30)

A driver safety instructor (DSI) conducts many of the driver trainings provided by the Postal Service, including vehicle familiarization. Under Section 335.5 of *Handbook EL-804*, the DSI is responsible for identifying the types of vehicles needed for familiarization:

335.5 Selecting Vehicles

Familiarization training must be provided for each type of Postal Service vehicle that trainees are required to oper-

ate on the job. The DSI must identify the types of vehicles needed for familiarization. The vehicle maintenance manager is responsible for ensuring that the appropriate vehicles (in type and number) are provided when needed.

If you are expected to operate a vehicle that you are unfamiliar with, be sure to inform your local union representative and, if appropriate, file a grievance.

Be sure to read my article each month and visit nalc.org for more City Delivery updates.

Director of
Retired Members

FERS Supplement (continued)

(continued from page 32)

Getting an estimate

Even though OPM will calculate the exact amount of your Supplement after you retire, you can get an estimate to help with your planning by visiting liteblue.usps.gov or calling the Human Resources Shared Service Center at 877-477-3273. Keep in mind that this is just an estimate, so it's a good idea to have a little ex-

tra room in your retirement budget.

As always is the case with retirement, there is a personal balance to strike between time and money. By understanding the Supplement, especially how working after retirement can affect it and the fact that it doesn't increase with the cost of living, you can make smart choices for a comfortable and secure retirement. Knowing these rules helps you make the most of your FERS benefits and reach your financial goals.