

Are you entitled to the FERS enhanced annuity?



Dan Toth

I last wrote about the Federal Employees Retirement System (FERS) enhanced annuity in the June 2024 issue of *The Postal Record*. The NALC Retirement Department's goal is to help active and retired members understand this benefit and make sure they receive it if they are entitled to it. The enhanced annuity applies only to FERS employees who were injured on the job and received wage-loss compensation through the Office of Workers' Compensation Programs (OWCP) for a cumulative two months' time.

Many letter carriers have been injured on the job and are hearing about the enhanced annuity for the first time, so it is important to spread awareness. While receiving OWCP wage-loss compensation, no deductions for Social Security tax or Thrift Savings Plan (TSP) contributions come out of payments made by OWCP. Because FERS retirement benefits were designed to work alongside Social Security and TSP, employees who miss those two contributions, and on top of that, the TSP matching, will see these retirement benefits reduced.

To address this issue, a law passed in 2003 created the enhanced annuity, a benefit added on to the FERS basic annuity, to help make up for the reduced Social Security and TSP benefits caused by periods of time while receiving OWCP wage-loss compensation.

Who qualifies?

You may qualify for an enhanced annuity if:

- You are covered under FERS.
- You received OWCP wage-loss compensation due to a work-related injury.
- Your total time in leave without pay (LWOP) status while receiving OWCP benefits was at least two months.

Keep in mind that continuation of pay time does not count toward this requirement because employees continue receiving pay from the Postal Service and do not lose Social Security or TSP contributions during that period.

The good news is that you do not need to apply separately for the enhanced annuity. It should be added automatically when your retirement is processed. However, mistakes can happen, so it is worth reviewing your records.

Verify your OWCP time

If you believe you should or will be receiving the enhanced annuity, the next step is to confirm the amount of time you received OWCP wage-loss compensation.

The easiest way to do this is through OWCP Connect at owcpconnect.dol.gov/owcplogin.

The portal allows you to view compensation payments dating back to 2002. Check whether your total wage-loss compensation equals or exceeds two months, which is approximately 347 hours.

Review your service records

If you are still working, obtain your RTR Employee Detail Report from eOPF via LiteBlue. It will show your hours of LWOP for each year. Make sure your LWOP due to OWCP is designated as such.

If you are applying for retirement, be sure to review Standard Form 3107-1, Certified Summary of Federal Service. This document shows the service credit that the Postal Service is reporting to OPM and should include qualifying periods of LWOP due to OWCP (LWOP-OWCP).

If you are retired and have a copy of your retirement application package, look for your Certified Summary of Federal Service. If you don't have a copy, request one from OPM. You should also request the worksheet OPM used to calculate your annuity.

Reviewing these records can help identify whether your qualifying OWCP time was properly recorded.

How to check your annuity

If you are retired and believe you qualify for the enhanced annuity, start by looking at your *Retirement Benefits Booklet* from the Office of Personnel Management (OPM). It includes:

- Your basic annuity amount.
- Your total federal service.
- Your high-3 average salary.

If you no longer have your booklet, you can request a copy through OPM Services Online at servicesonline.opm.gov, by writing to OPM, or by emailing retire@opm.gov.

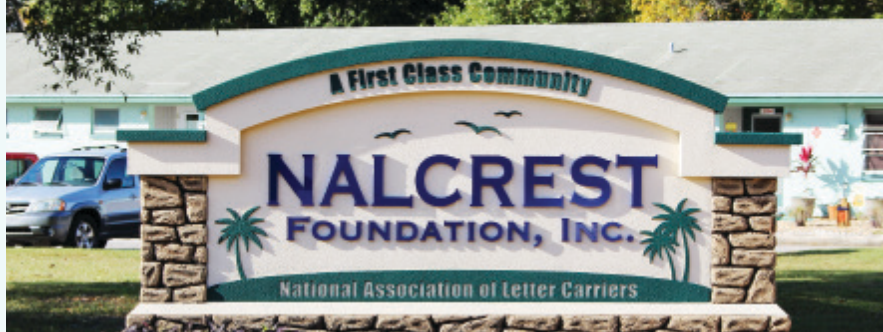
Calculate your basic annuity

FERS employees receive:

- 1.0 percent of their high-3 average salary for each year of service.

(continued on page 98)

Nalcrest Update



From the Trustees

The Nalcrest Trustees are responsible for keeping National President Emeritus William Doherty's dream alive. That dream is to provide retired NALC letter carrier members with a safe, affordable and enjoyable place to live for their retired years. We work hard on a daily basis to do just that, keeping Nalcrest a place where letter carriers from all 50 states, Puerto Rico, the Virgin Islands, the District of Columbia and Guam will want to retire. Our waiting list runs between 350 to 400 retired or soon-to-be-retired letter carriers who want to make Nalcrest their home.

Nalcrest residents regularly use our suggestion box, which provides us with additional opportunities to discuss ways to make Nalcrest even better. We are constantly doing maintenance, repairs and improvements while maintaining a low rent structure.

This year we have continued to put fresh paint on the buildings, replumb the 60-year-old water/sewer pipes, repair roofing issues, keep the trees trimmed, replace wood on the boat dock, address lighting issues throughout the community, install ceiling fans in common areas that needed more ventilation, and replace old signs. We are also making improvements to the gym, the cornhole courts, the shuffleboard courts, the basketball court

and the bocce court. We keep a progressive balance between keeping Nalcrest nice yet affordable.

If Nalcrest sounds like a place you'd like to retire to, then check us out. Send in your application to get on the waiting list. Remember, you need not be retired to get your name on the list; you only need to be a retired NALC member in good standing when you move in and remain so while living at Nalcrest. Hope to see you there!

Tony Diaz

Nalcrest Trustees

NALC Executive Vice President Paul Barner

NALC Secretary-Treasurer Nicole Rhine

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NALC Director of Retired Members Dan Toth

Nalcrest Trustees President Tony Diaz

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Nalcrest Financial Report

Nalcrest Foundation, Inc. Financial Report

12 months ending Aug. 31, 2026

Operating Revenue:

Rent Revenue	\$ 2,937,744.61
Other Revenue	\$ 187,209.41
Interest	\$ 66,565.97
Total Operating Revenue	\$ 3,191,519.99

Operating Expenses:

General & Administrative	\$ 65,929.69
Salaries & Benefits	\$ 852,261.70
Taxes, Licenses, Fees	
& Professional Services	\$ 343,835.62
Utilities & Property Services	\$ 315,184.65
Maintenance, Repairs,	
Supplies & Improvements	\$ 678,725.83
Insurance	\$ 722,723.48
Total Operating Expenses	\$ 2,978,660.97

12 Month Operating Reserve	\$ 212,859.02
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Director of Retired Members

FERS enhanced annuity (continued)

(continued from page 83)

- 1.1 percent if they retire at age 62 or older with at least 20 years of service.

To calculate your annuity: Years of service $\times$ 1.0% or 1.1% $\times$ high-3 average salary.

Compare your result to the gross annuity amount shown in your *Retirement Benefits Booklet*.

If the amounts are the same, it may indicate that the enhanced annuity was not included.

How much is the enhancement?

The enhanced annuity adds an extra 1.0 percent for the total amount of qualifying OWCP time, regardless of the factor (1.0 percent or 1.1 percent) used when determining your regular annuity.

For example: Years of OWCP-LWOP $\times$ 1.0% $\times$ high-3 average salary.

- Qualifying OWCP time: 2 months (0.166 of a year)
- High-3 salary: \$80,342

The enhancement would add approximately:

- \$133 per year
- \$11.11 per month

The amount goes up or down depending on your high-3 average salary and qualifying OWCP time.

Need help?

If you discover that you are not receiving the enhanced annuity, or if you believe the amount is incorrect, contact the Retirement Department for assistance.

You can reach the Retirement Department at 800-424-5186, Monday, Wednesday and Thursday from 10 a.m. to 12 p.m. and 2 to 4 p.m. EST; or 202-393-4695, Monday through Friday from 9 a.m. to 4 p.m. EST.

We are here to help ensure that members receive the retirement benefits they have earned.