

Enhanced annuity for FERS employees receiving compensation from OWCP



Dan Toth

The last column that I wrote about enhanced annuity for the Federal Employees Retirement System (FERS) was in the September/October 2022 issue of The Postal Record. The Retirement Department fields many inquiries regarding this topic, and in many instances, we have helped ensure that enhanced annuity was provided to the member. Our goal is to educate active and retired members so they will know if they are/were entitled to receive an enhancement to their annuities.

Many of you are hearing about enhanced annuity for the first time; therefore, we need to spread the word among our members. Annuity enhancement applies only to FERS employees who are injured on the job and receive wage-loss compensation from the Office of Workers' Compensation Programs (OWCP). While receiving wage-loss compensation, an injured employee is unable to contribute to Social Security and the Thrift Savings Plan (TSP). As FERS was designed around Social Security and TSP benefits, an employee who misses out on these two components would not get the full benefit that was intended when FERS was created. Fortunately, a 2003 law fixed this problem by providing additional, or enhanced, annuity to offset these Social Security and TSP losses. To be eligible, a FERS employee must have cumulative periods of leave without pay (LWOP) while performing no work and receiving OWCP benefits totaling two months or more. Continuation of Pay (COP) periods are not included in this total, because there is no loss to Social Security or TSP benefits when receiving full pay from the Postal Service.

No action is required by the retiring employee for the enhanced annuity to be added; it should be automatic. However, you can review your service records, such as your RTR employee detail, to identify any possible discrepancies.

If you have already retired and met the criteria above for entitlement to an enhanced annuity and want to ensure that you are receiving the benefit you're entitled to, start compiling relevant documents, then do the math.

Your Retirement Benefits Booklet, which would have been mailed to you from the Office of Personnel Management (OPM) when you retired, will tell you the amount of

your basic benefit (annuity), total federal service and high-3 average salary. If you no longer have your annuity booklet, you can request a duplicate via OPM's Services Online at servicesonline.opm.gov, by writing to OPM or by emailing retire@opm.gov.

FERS employees who retire with a full, immediate annuity receive 1 percent of their high-3 average salary per year of service (retiring after age 62 with 20 years of service yields 1.1 percent). Multiply your years of service, 1 percent (0.01), and your high-3 average salary listed in your annuity booklet to determine your annuity before applying the enhanced annuity. Now compare that result with the gross benefit listed in the Retirement Benefits Booklet. If they are the same, that indicates you are not receiving an enhanced annuity.

How much should you be getting? The enhanced annuity provides for an additional 1 percent for the aggregate time of qualifying periods.

For example, multiplying a qualifying period of exactly two months (two-twelfths of a year) by 1 percent (0.01) and a high-3 average salary of \$72,910 yields an additional benefit of \$121.51 per year, or about \$10.12 a month.

If you have determined that you are not receiving an enhanced annuity, you will want to establish your aggregate time receiving OWCP benefits. An easy way to do this is to register with OWCP Connect (go to owcpconnect.dol.gov/owcplogin for a Department of Labor web portal). OWCP Connect allows you to see all the hours of compensation paid in claims from 2002 onward. Confirm that your total time receiving wage-loss compensation equals or exceeds two months (approximately 347 hours).

Next, check Standard Form 3107-1, Certified Summary of Federal Service, to find out what service credit the Postal Service certified to OPM when you retired. If you received a completed copy of your retirement application, check there. Otherwise, write or email OPM to request a file copy of your completed Certified Summary of Federal Service. You should also request the worksheet used to calculate your annuity.

If you find that you have not received the enhanced annuity, or have received less than you are entitled to, please reach out to my office for additional guidance. The Retirement Department can be reached at 800-424-5186 Monday, Wednesday and Thursday from 10 a.m. to 12 p.m. and 2 p.m. to 4 p.m., or by calling 202-393-4695 Monday through Friday from 9 a.m. to 4 p.m. Eastern time.