

§ 842.505

5 CFR Ch. I (1-1-08 Edition)

Year of Birth	Reduction (percent)
1937 and before	20
1938	20 ⁵ / ₆
1939	21 ² / ₃
1940	22 ¹ / ₂
1941	23 ¹ / ₃
1942	24 ¹ / ₆
1943-54	25
1955	25 ⁵ / ₆
1956	26 ² / ₃
1957	27 ¹ / ₂
1958	28 ¹ / ₃
1959	29 ¹ / ₆
1960 and later	30

§ 842.505 Reduction in annuity supplement because of excess earnings.

(a)(1) Except as provided in paragraphs (a)(2) and (b) of this section, the annuity supplement payable under § 842.504 is reduced by excess earnings in the test year, divided by twelve.

(2) Any annuity supplement payable during the year in which an individual loses entitlement to the annuity supplement by reason of § 842.503(c) is reduced by excess earnings in the test year divided by the number of months for which the annuity supplement is payable.

(b) Any reduction in the annuity supplement during a month because of excess earnings may not exceed the amount of annuity supplement payable during that month.

(c) Earnings and estimated earnings for each test year will be furnished by retirees in a form prescribed by OPM.

(d) Failure to furnish earnings and estimated earnings in the form or at the times prescribed by OPM is cause to suspend payment of the supplement until the annuitant establishes to the satisfaction of OPM that he/she continues to be eligible for the supplement.

(e) The reductions described in paragraphs (a) and (b) of this section are not subject to the due process procedures described in 5 U.S.C. 8461(e).

(2) In computing the primary insurance amount—

(i) The number of elapsed years used to compute the number of benefit computation years does not include the years beginning with the year in which the annuity supplement commences;

(ii) For an employee or Member who retires under §§ 842.205, 842.206, 842.209, or 842.211 before reaching the minimum retirement age, wages in calendar years beginning after the date of separation on which the retirement is based, are deemed to be zero.

(iii) Only basic pay for full calendar years of service creditable under FERS is taken into account in computing the retiree's wages for a benefit computation year;

(iv) For a benefit computation year after age 21 during which the retiree did not perform a full calendar year of service creditable under FERS the retiree's wages are deemed to equal the product of—

(A) The National Average Wage Index (as determined by the Commissioner of the Social Security Administration) corresponding to that year, multiplied by

(B) A fraction—

(1) The numerator of which is the retiree's basic pay for his or her first full year of service creditable under FERS; and

(2) The denominator of which is the National Average Wage Index (as determined by the Commissioner of the Social Security Administration) corresponding to the retiree's first full year of service creditable under FERS.

[52 FR 4479, Feb. 11, 1987, as amended at 69 FR 69806, Dec. 1, 2004]

Subpart F—Survivor Elections

SOURCE: 52 FR 2061, Jan. 16, 1987, unless otherwise noted.

§ 842.601 Purpose.

This subpart explains the survivor annuity elections available under FERS for retirees, and retiring employees and Members, and the actions that they must take to provide these survivor annuities.

§ 842.602 Definitions.

In this subpart—

Current spouse means a living person who is married to the employee, Member, or retiree at the time of the employee's, Member's, or retiree's death.

Current spouse annuity means a recurring benefit under FERS that is payable (after the employee's, Member's or