

# VERA Quick Retirement Fact Sheet

Thinking about retiring under VERA? Here are some things you need to know.....

## FERS Annuity Calculation

Under FERS, your annuity will be calculated using the following formula:

- $1\% \times \text{your high-3 average salary} \times \text{your years / months of creditable service (including sick leave)}$
- If you are age 62 with at least 20 years of service, you will receive 1.1%.

The high-3 average salary is the average of your annual salary over three consecutive years. It includes locality pay but does not include overtime pay, Sunday premium pay, or differential pay. In most cases, you can estimate your high-3 by taking approximately 90% of your current annual salary.

### **Example:**

$1\% \times \$45,000 \times 20 \text{ years} = \$9,000 \text{ annual gross annuity}$

The annual gross annuity is before taxes are applied, insurance premiums, and survivor elections.

A FERS annuity supplement is payable to VERA retirees once they reach their minimum retirement age (MRA); however, is subject to the Social Security earnings test. The supplement equates to approximately \$35 per month per year of FERS service.

## CSRS Annuity Calculation

Under CSRS, your annuity will be calculated using the following formula (reduced 2% each year under age 55):

$1.5\% \times \text{your high-3 average salary} \times \text{the first 5 years of creditable service,}$   
 $1.75\% \times \text{your high-3 average salary} \times \text{the next 5 years, plus,}$   
 $2\% \times \text{your high-3 average salary} \times \text{years over 10 (including sick leave)}$

The short-cut formula is:  $\text{years of service} - 2 \times 2 = \text{the \% of high-3 average salary payable as an annuity.}$

## Part-time Service

Part-time service is prorated for the annuity calculation. A proration factor is determined using the number of hours you worked divided by the number of full-time hours you could have worked. You will receive full-time credit towards meeting retirement eligibility and in the calculation of your high-3 average salary.

## Retirement Package – Utilize the Employee Checklist located on the OHCAccess website

SF 3107 (FERS), SF 2801 (CSRS), SF 2818 (FEGLI), W4P, copy of marriage certificate, DD 214 (or military orders)