# The FERS Supplement: Q&A

         By [Tammy Flanagan](https://www.govexec.com/voices/tammy-flanagan/2340/)

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The [Federal Employees Retirement System annuity supplement](https://www.opm.gov/retirement-services/fers-information/types-of-retirement/#url=Annuity-Supplement) is important for those covered under FERS who plan to retire before turning 62. The supplement bridges the time between the onset of retirement and the age you qualify for Social Security retirement—which is generally 62. This benefit provides a source of income that mimics the age 62 Social Security benefit, but is computed using only civilian federal service creditable to the FERS retirement benefit.

About half of all FERS employees are entitled to this benefit when they retire. The supplement ends when a recipient turns 62. After reaching the minimum retirement age until the supplement ends at 62, an earnings test is applied by the Office of Personnel Management that can cause a reduction or elimination of the supplement.

Since the FERS supplement can get complicated, let’s look at some key questions and answers about it.

**Who is eligible to receive the supplement?**

To receive the supplement, you must be eligible for an immediate, unreduced FERS retirement benefit. Some employees are immediately eligible for the FERS supplement when they retire. This includes those who retire with entitlement to an immediate annuity, such as employees who have reached their[minimum retirement age](https://www.opm.gov/retirement-services/fers-information/eligibility/)with at least 30 years of creditable service or those at age 60 with at least 20 years.

The FERS supplement is especially significant to those who must retire early under special provisions that apply to certain groups of employees, including law enforcement officers, firefighters, air traffic controllers, National Guard technicians, Customs and Border Protection officers, nuclear materials couriers and special agents of the Diplomatic Security Service. It is generally payable at retirement for these special coverage employees when they retire as early as age 50 with 20 years of covered service. It’s sometimes available even earlier for employees eligible to retire when they complete 25 years of covered service. The mandatory retirement age for most of these employees is 57 (56 for air traffic controllers).

For employees who retire under discontinued service (involuntary) retirement provisions or under early retirement provisions (that is, a major reduction in force, reorganization, or transfer of function), the supplement is payable when they reach their MRA if they retire at a younger age.

**Who is not eligible?**

If you’re already 62 when you retire, you will be eligible for Social Security retirement rather than the FERS supplement. Employees who resign without being old enough or having enough service to qualify for an immediate retirement are not eligible for the supplement even though they may receive a deferred retirement at a later date.

Employees retiring at their MRA with at least 10 years but less than 30 years of service (known as “MRA+10” retirement) and those retiring at age 60 or 61 with more than 10 but less than 20 years, are not eligible for the supplement even though they may choose to postpone their retirement application. Disability retirees are also not eligible.

**Who pays it?**

There is no special application to receive the FERS supplement. If you are entitled to receive this benefit, it is included with the FERS basic retirement benefit, which is administered by OPM.

**What is the earnings test and how is it applied?**

Continued receipt of the annuity supplement is subject to an earnings test every year and can be affected by wages earned by the retiree. OPM conducts annual surveys of more than 77,000 supplement recipients to assess their earnings. These surveys are sent in April and must be returned by the beginning of June.

Let’s suppose Josie, a federal law enforcement officer, plans to retire at 52 on Dec. 31, 2019, with 20 years of service. Her birthdate is Nov. 15, 1967 and her minimum retirement age is 56 years and six months. She won’t be subject to the annual earnings test until she has reached that age.

Now, let’s fast-forward and see what happens when Josie turns 56 and six months. Assume she has been receiving a FERS supplement of $1,000 per month, or $12,000 annually.

She will reach her minimum retirement age on May 15, 2024. Josie will not be subject to the earnings test until 2024 because she didn’t reach her MRA by the end of 2023. Josie will continue to receive her full supplement during 2024. The annual earnings survey will be sent to her early in 2025.

Let’s assume Josie earns $36,000 per year. On the earnings survey, she will report all earnings from 2024 received after reaching her MRA. That adds up to a little less than $21,000 (seven months of wages). The reduction to her supplement is computed at $1 for every $2 in earned income over the limit. The earnings limit amount for 2019 is $17,640 per year. If Josie earned $3,360 over the 2024 earnings limit, then her supplement would be reduced by dividing the amount over $3,360 in half, arriving at an annual reduction of $1,680. After the reduction is applied ($12,000 - $1,680), the new supplement rate becomes $10,320 annually, or $860 per month.

So, effective in July 2025, Josie will see her supplement reduced from $1,000 per month—which she had been receiving since retirement—to $860 a month.

Now suppose Josie decides to fully retire in 2026. Once she can provide proof of her earnings level going below the annual limit, she can file to restore the supplement. This proof is generally a tax return—in this case, her 2027 return, which would be the first to show the reduced income. After a long process of submitting new, lower wage reports to OPM and gaining approval to restore the supplement, it will be reinstated. The supplement ends at 62 for all FERS participants.

**Should I let OPM know when my income changes?**

Dan Jamison, a certified public accountant and retired FBI agent who has a lot of experience helping law enforcement personnel understand their retirement benefits, says it’s not a good idea to contact OPM and report job changes or earnings. Instead, he says, it’s better to wait to receive the earnings survey in the mail. Contact OPM immediately if you don’t receive an earnings survey by mid-May if you have reached your minimum retirement age by Dec. 31 and still haven’t turned 62.

**Will the supplement be eliminated by Congress?**

Policymakers have proposed eliminating the FERS supplement many times over the years—including this year. OPM has reported that such a move would save the government $18.7 billion over 10 years.

So far, the supplement is still available to eligible federal retirees. The FERS supplement is one of the benefits included when FERS was implemented that allows federal employees to plan for retirement with similar age and service requirements as employees who retire under the older Civil Service Retirement System.