



Protect The Federal Employee Supplemental Annuity

Background: Federal employees covered by specific provisions of the Federal Employees Retirement System (FERS) who retire and receive an immediate annuity before Social Security (SSA) eligibility, receive an annuity supplement equivalent to their SSA calculated benefit as if they were eligible to receive SSA benefits on the day they retired. This supplement automatically terminates upon SSA eligibility. (See 5 U.S.C. § 8412.)

Retirees who qualify for a supplemental annuity include:

- **Air Traffic Controllers***
- **Law Enforcement Officers***
- **Firefighters***
- **Nuclear Materials Couriers***
- **Employees with 30 years of service who reach their minimum retirement age**
- **Employees who reach age 60 with at least 20 years of service**
- **Other special classes of federal employees who meet their minimum retirement age**

* Public Safety employees are subject to mandatory retirement due to the physical requirements of their jobs. (See 5 U.S.C. § 8425.) These employees have paid into the system an additional 0.5% of salary throughout their careers and their agencies have pre-paid higher premiums for this enhanced retirement.

Oversight and Government Reform Committee Proposal

The Oversight and Government Reform Committee's summary of Section 90002 – Elimination of the FERS Annuity Supplement – states that “Exempt from this reform are those in federal occupations subject to mandatory early separation (i.e. retirement).” However, the legislative text of 90002 appears to only provide the exception to those who separate due to mandatory separation (insertion of section 8425 of title 5 United States Code) even though not all of those in federal occupations listed above are subject to mandatory early separation.

This exception, as written, will lead to significant immediate retirements of air traffic controllers who are eligible to retire but who have not yet reached their mandatory retirement age. Approximately 4-5% of all fully certified air traffic controllers are presently eligible to retire and fewer than 50 of approximately 10,700 will reach mandatory separation age within the next

12 months. If those eligible to retire are given the choice between retiring immediately to receive their supplemental annuity or waiting until mandatory separation to receive it, they will most likely choose to retire immediately. **This will greatly exacerbate a universally recognized air traffic controller staffing crisis.**

Air Traffic Controller Retirement

Air traffic controllers, federal law enforcement officers, federal firefighters, and other public safety professionals rely on a three-legged stool of retirement benefits. This includes the enhanced annuity calculation in FERS, the supplemental annuity program that provides these professions with an equivalent benefit in retirement until they are social security eligible at age 62, and the Thrift Savings Plan (TSP). From the date of their retirement—until they turn age 62 and become eligible to receive SSA benefits—they receive an annuity supplement of approximately \$1,500-2,000 each month.



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Any proposed reduction in their retirement benefits, especially the elimination of their annuity supplement, could cause an increase in the number of retirement-eligible controllers to retire before they had otherwise planned. This could negatively affect the system during a period of a universally recognized staffing crisis. In sum, it could cripple the National Airspace System.

Request

NATCA requests that you **oppose** any proposal to eliminate the annuity supplement or only provide it to public safety professionals who separate due to mandatory separation.

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