

FEDERAL EMPLOYEE BENEFITS

SURVIVOR SPOUSE BENEFITS (Military and Civil Service)

SURVIVOR PENSION

Civil Service Employees:

- Are required at retirement to either elect or reject a survivor pension if they are married
- If the employee chooses NOT to provide survivor pension then the spouse must sign off
- If the spouse predeceases the employee all payments are forfeited to insurance company
- Active Duty and Reserve employees can provide a Survivor Pension not only to their spouse but can also provide to spouse *and* child (or child only)

Did you know? You may qualify for a Survivor Pension with benefits that can be transferred to your children or partially refunded back to the retired employee if your spouse predeceases you, AND you must carry the minimum survivor benefits if you want to continue health insurance to your family if the employee dies first.

The 3 CSRS Employee Survivor Options: ***(click here for example calculation)***

- Standard- 55% of Full Annuity
- Reduced- 55% of ½ the Full Annuity
- Minimum 55% of \$3,600.

The 2 FERS Employee Survivor Options: ***(click here for example calculation)***

- Standard – 50% of full annuity
- Minimum – 25% of Full Annuity

The Active Duty & Reserve Employee Survivor Options: ***(click here for example calculation)***

- Standard – 55% of your standard base retirement.
- Reduced- 55% of any selected base retirement less than standard

CSRS SURVIVOR BENEFITS CALCULATION AT RETIREMENT*

***Example using full pension of \$24,000 annually**

Standard Annuity Maximum Benefit: 55% of the full annuity

- **Cost:** First \$3,600 X 2 ½% = \$90
- \$24,000 - \$3,600 = \$20,400 X 10% = \$2,040
- **Final Cost: \$2,130***
- Pension AUTOMATICALLY reduces to **\$21,870**
- **Survivor Annuity:** 55% X \$24,000 = \$13,200 annually

Reduced Annuity Benefit: 55% of ½ the full annuity

- **Cost:** First \$3,600 X 2 ½% = \$90
- \$12,000 - \$3,600 = \$8,400 X 10% = \$840
- **Final Cost: \$930***
- Pension reduces to **\$23,070**
- **Survivor Annuity:** 55% X \$12,000 = \$6,600 annually

Minimum Annuity Benefit: 55% of \$3,600

- **Cost:** First \$3,600 X 2 ½% = **\$90**
- Pension reduces to **\$23,910**
- **Survivor Annuity:** 55% X \$3,600 = \$1,980 annually

*** Remember that as your pension increases due to cost of living adjustments (COLA), the monthly costs will increase as well.**

FERS SURVIVOR BENEFITS CALCULATION AT RETIREMENT*

*Example using full pension of \$27,600 annually

Standard Annuity Maximum Benefit: 10% cost providing 50% coverage

Cost: $\$27,600 \times 10\% = \$2,760/\text{yr}^*$

Pension AUTOMATICALLY reduces to **\$24,840**

Survivor Annuity: $50\% \times \$27,600 = \$13,800$ annually

Reduced Annuity Benefit: 5% cost providing 25% coverage

Cost: $\$27,600 \times 5\% = \$1,380/\text{yr}^*$

Pension reduces to **\$26,220**

Survivor Annuity: $25\% \times \$27,600 = \$6,900$ annually

*** Remember that as your pension increases due to cost of living adjustments (COLA), the monthly costs will increase as well.**

SURVIVOR PENSION ACTIVE DUTY CALCULATION*

*Active Duty Spouse-only example

Standard Annuity Benefit: 6.5% cost providing 55% coverage.

Base Retirement: \$2,000/mo

Cost: $\$2,000 \times 6.5\% = \$130/\text{mo}^*$

Survivor Annuity: $55\% \times \$2,000 = \$1,100/\text{mo}$

Reduced Annuity Benefit: employee with signed approval from spouse can select any amount under standard base

Selected Retirement Base: \$1,200/mo

Cost: 6.5% of \$1,200 = **\$78.00***

Survivor Annuity – 55% of \$1,200 or \$660/mo

*** Remember that as your pension increases due to cost of living adjustments (COLA), the monthly costs will increase as well.**

SCHEDULE YOUR OWN CONFIDENTIAL MEETING
TO RECEIVE YOUR COMPLIMENTARY
FEDERAL BENEFIT ANALYSIS



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