

#####

\0

Variables

Change

choose

SALARY
\$45100

Year

1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
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2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028

OUTPUT

Year

1988
1989
1990
1991
1992
1993
1994
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2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015

#####

C O F F E R S:

Comprehensive, Foolproof
Federal Employees Retirement

System Planner

By Richard J. Thaxter

#####

CONTRIB	SERVICE	AGE
5.0%	16	66
	#NAME?	
totserv		

Sheet1

#NAME?
#NAME?
#NAME?
#NAME?

Sheet1

#NAME?
#NAME?
#NAME?
#NAME?

PROJECTION FOR AGE

% Rate
Amount

CSRS THRIFT PLAN

#NAME?

#NAME?

These projections give approximate comparisons between the Civil Service Retirement System and the new Federal Employee Retirement System. Projections are based on the data you input for your age, your current service, etc. The program is designed for those who must choose between CSRS and FERS. For those only eligible for the new (FERS) plan, the projection for FERS pension will be slightly off. FERS pensions are equal to 1% per year of service. The calculation of Social Security benefits is a very rough estimate but is included to show that a substantial portion of benefits under the new plan are provided by Social Security coverage if you work long enough to qualify.

EXPLANATIONS OF TERMS USED ABOVE (use the arrow keys to read down)

CSRS PENSION

The % rate and annual \$ amount of pension earned if you remain under CSRS. Formula is 1.5% for first 5 years service, 1.75% for next 5 years, and 2.0% for each year over 10. The pension rate is multiplied by the "high three" average to obtain annual pension.

FERS PENSION

The % rate and annual \$ amount of pension earned if you switch to FERS. Those who change plans will retain credit for old service under the CSRS formula; service after switching is credited at 1.0% per year (the FERS formula). Pension amount is calculated as above.

CSRS THRIFT PLAN

The Thrift Plan is a voluntary, tax-deferred savings plan into which you may elect to contribute a percentage of annual salary. If you remain under CSRS you may contribute up to 5% --the government does not match contributions for persons under CSRS. The program assumes that you would voluntarily participate in the Thrift Plan even if you remain under CSRS.

FERS THRIFT PLAN

Under FERS you may contribute up to 10% of salary into the Thrift Plan. The government contributes 1% to your plan regardless of your participation. Your first 3% of contributions are matched by the government dollar-for-dollar. The next 2% are matched at 50 cents on the dollar. Therefore, if you contribute 5%, the government also puts in its maximum contribution of 5%. The amount shown is the total value (including interest earned) in your fund at the time of retirement.

WHAT THE PROGRAM DOESN'T DO

The earliest retirement age that the system will accept is 55. It does not calculate the combination of age and service at which you are eligible for retirement. Under FERS the 55 and 30 formula is basically retained, but the minimum age will go up gradually for persons born after 1948. Projections cannot be made beyond 2028.

The projection for Social Security benefits is a very simplistic formula calculating either \$8760 (the current maximum) or if after the year 2000, calculating 15% of high three average. This may not be correct but is based on graphs provided by CRS on percentage of salary replaced by SS for the year 2030. The program does not calculate whether you will have worked long enough under SS to qualify for benefits.

Tax advantages of one plan versus the other are not compared. Note that under FERS the combination of pension and SS benefits (some of which may not be taxable) may yield a lower taxable retirement income.

Your thrift fund account may be paid in various ways, including lump-sum payment, rollover to an IRA, or paid as an annuity.

TO RESTART THE PROGRAM FOR ANOTHER INDIVIDUAL WITH DIFFERENT YEAR OF BIRTH, SALARY, ETC., hold down the "Alt" key and press "R".

TO RESTART FROM THE MENU (ALLOWING) YOU TO CHANGE AGE AT RETIREMENT OR ECONOMIC FACTORS, ETC., hold down the "Alt" key and press "M"

Sheet1

Input without \$ or commas

Input four digits

Input 0-10% contribution to Thrift Fund

The annual percentage growth (raises, inflation)
for future salary (Default=4%)

% interest rate on Thrift Fund
investments (default=6.1%)

Age at which you wish to retire
(You may try more than one age)
#####

Year Criterion range salary contrib
#NAME?

(old)
CSRS PENSION
#NAME?
#NAME? per annum

66 With (new)
FERS PENSION
#NAME? #NAME?
#NAME?

Sheet1

#NAME?

Plus SS benefits

\$14,593.59

#NAME?

#NAME? (lump sum)

FERS THRIFT PLAN

#NAME?

SALARY

YEAR OF BIRTH

CONTRIBUTIONS

GROWTH

INTEREST

AGE

Print	Age	Contributions
Print the projections just created	Try another age	Try a different contribution rate
/pprRATES~agq/pprProject~agq	/xgg28~	/xgB29~
/xmMENU~		

uscontrib

total

44 Years Service in

2015

(+ suppl if over 62)

+
per annum

#NAME?

#NAME?

High 3 avg
\$97,290.59

(lump sum)

Blurb	Quit
Print explanatory material	Quit the menu (and read explanations)
/pprEXPLAIN~agq	
/xmMENU~	