Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Because this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle 1, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority.

This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart 1, Section 40103, Sovereignty and use of airspace. Under that section, the FAA is charged with prescribing regulations to ensure the safe and efficient use of the navigable airspace. This regulation is within the scope of that authority because it proposes to revise airspace at Barrow, Alaska, and represents the FAA's continuing effort to safely and efficiently use the navigable airspace.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend 14 CFR part 71 as follows:

PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIR TRAFFIC SERVICE ROUTES; AND REPORTING POINTS

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9U, *Airspace Designations and Reporting Points,* dated August 18, 2010, and effective September 15, 2010, is to be amended as follows:

* * * * *

Paragraph 6002 Class E Airspace Designated as Surface Areas.

* * * * *

AAL AK E2 Barrow, AK [Revised]

Wiley Post/Will Rogers Memorial Airport, AK

(Lat. 71°17′06.8″ N., long. 156°45′58.2″ W.)

Within a 4.1 mile radius of the Wiley Post/Will Rogers Memorial Airport, AK.

* * * * *

Paragraph 6005 Class E airspace extending upward from 700 feet or more above the surface of the earth.

* * * * *

AAL AK E5 Barrow, AK [Revised]

Wiley Post/Will Rogers Memorial Airport, AK

(Lat. 71°17′06.8″ N., long. 156°45′58.2″ W.)

That airspace extending upward from 700 feet above the surface within a 6.6-mile radius of the Wiley Post/Will Rogers Memorial Airport, AK; and that airspace extending upward from 1,200 feet above the surface within a 73-mile radius of the Wiley Post/Will Rogers Memorial Airport, AK.

Issued in Anchorage, AK, on November 10, 2010.

Michael A. Tarr,

Alaska Flight Services.

[FR Doc. 2010–29294 Filed 11–19–10; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE TREASURY

31 CFR Part 29

RIN 1505–AC02

Federal Benefit Payments Under Certain District of Columbia Retirement Plans

AGENCY: Departmental Offices, Treasury.

ACTION: Proposed rule.

SUMMARY: The Department of the Treasury proposes to amend our regulations which were promulgated pursuant to the Balanced Budget Act of 1997, as amended (the Act). Pursuant to the Act, with certain exceptions, Treasury has responsibility for payment of benefits based on service accrued as of June 30, 1997, under the retirement plans for District of Columbia teachers, police officers, and firefighters. Benefits for service after that date, and certain other benefits, are funded by the District of Columbia. The rule that we published in 2000 as part of the final regulations to implement the provisions of the Act, establishes the methodology for determining the split between the Federal and District obligations. The effective date of the regulation was delayed pending completion of Treasury's new automated retirement system, "System to Administer Retirement" (STAR), which replaced the District's legacy automated retirement system. While the new system has been completed, the proposed amended regulation will establish additional rules and provide additional examples of benefit calculation scenarios, the need for which was identified during systems development. The amendments to the regulation will have minimal financial impact and are introduced to simplify calculations and maintain consistency with the general principles established in the original regulations.

DATES: *Comment Due Date:* January 21, 2011.

ADDRESSES: Treasury invites interested members of the public to submit comments on this proposed rule. Comments may be submitted to Treasury by any of the following methods: Submit electronic comments through the federal government e-rulemaking portal, *www.regulations.gov* or by e-mail to *dcpensions@do.treas.gov* or send paper comments to Paul Cicchetti, Department of the Treasury, Office of DC Pensions, Metropolitan Square Building, Room 6G503, 1500 Pennsylvania Avenue, NW., Washington, DC 20220.

In general, the Treasury will post all comments to *http://www.regulations.gov* without change, including any business or personal information provided such as names, addresses, e-mail addresses, or telephone numbers. Treasury will also make such comments available for public inspection and copying in the Treasury's Library, Room 1428, Main Department Building, 1500 Pennsylvania Avenue, NW., Washington, DC 20220, on official business days between the hours of 10 a.m. and 5 p.m. Eastern Time. You can make an appointment to inspect comments by telephoning (202) 622–0990. All comments, including attachments and other supporting materials received, are part of the public record and subject to public disclosure. You should submit only information that you wish to make available publicly.

FOR FURTHER INFORMATION CONTACT: Paul Cicchetti, (202) 622–1859, Department of the Treasury, Office of D.C. Pensions, Metropolitan Square Building, Room 6G503, 1500 Pennsylvania Avenue, NW., Washington, DC 20220.

SUPPLEMENTARY INFORMATION:

Background

On December 12, 2000, the Department of the Treasury (the Department or Treasury) published (at 65 FR 77500) final regulations to implement Title XI of the Balanced Budget Act of 1997, Public Law 105–33, 111 Stat. 251, 712–731, 756–759, as amended (the Act). The Act transferred certain unfunded pension liabilities from the District of Columbia (the District) government to the Federal Government. Pursuant to the Act, with certain exceptions, Treasury is responsible for payment of benefits based on service accrued as of June 30, 1997, the date defined in the Act as the "freeze date". Under the Act, the Department calculates its obligations based on the terms of the retirement plans for District of Columbia teachers, police officers, and firefighters in effect as of June 29, 1997, referred to as the "District Retirement Program." Benefits for service after June 30, 1997, and other benefits, *e.g.,* certain disability benefits, remain a District responsibility. These proposed regulations address the Department's responsibility for retirement benefits in those situations where the benefit responsibility is shared between Treasury and the District. All benefit payments that are the responsibility of the Department under the Act are referred to as Federal Benefit Payments. Any remaining benefit payments to which an individual is entitled under the District's retirement plans are the responsibility of the District and are referred to as "District benefit payments." Annuities which consist of Federal Benefit Payments and District benefit payments are referred to as "split benefits."

The Act also established the District of Columbia Judicial Retirement and Survivors Annuity Fund, administered by Treasury's Office of DC Pensions (ODCP). Because the DC judges' benefits are now entirely a federal responsibility, the proposed split benefit regulations, discussed below, do not apply to the judges' benefit calculations.

Treasury is proposing amendments to subpart C. Subpart C contains the methodology for determining Federal Benefit Payments in situations where a teacher, police officer, or firefighter has service with the District of Columbia both before and after June 30, 1997, *i.e.,* split benefits. Subpart C was originally published as part of the final regulations to implement the provisions of the Act on December 12, 2000, 65 FR 77500, 77503. As noted above, the effective date of subpart C was delayed, pending completion of the new automated system.

On March 29, 2001, 66 FR 17222, the Department announced that it was "postponing indefinitely" the effective date of subpart C of the regulations because "Treasury decided to acquire an upgraded version of the replacement system software. This decision, coupled with the need to accommodate integration of the replacement system with systems implementation schedules of the government of the District of Columbia, protracted the implementation schedule for Treasury's replacement system." 66 FR 17222.

Treasury's ODCP, the District's Office of Payroll Services (OPRS), and the District of Columbia Retirement Board (DCRB) collaborated on the development of the replacement system, known as "System to Administer Retirement" (STAR). STAR is an automated pension/payroll system which supports the end-to-end business processes for retirement. STAR, which replaced the District's legacy system, calculates retirement and survivor benefits for the District's teachers, police officers and firefighters, regardless of whether their service accrued before or after the "freeze date" for Federal Benefit Payments.

From the earliest stages of this effort, Treasury worked with the District to arrive at key decisions for STAR development. Pursuant to Section 11041 of the Act, the District continues as the benefits administrator during the interim administration period, which is ongoing. Originally, OPRS performed the benefits administration function. DCRB assumed responsibility for benefits administration for both District benefit payments and Federal Benefit Payments on September 26, 2005. As benefits administrator, OPRS, and now DCRB, participated with Treasury to: Develop a proposed system that met the programs' needs; develop the approach for addressing and resolving issues; make decisions about development; test the system being developed; review the status of projects; evaluate readiness and approve plans for implementation.

As Treasury explained in the preamble to the original proposed regulations in 1999, 64 FR at 69435, unless an exception applies under the Act, the general rule for the calculation of Federal Benefit Payments states that in all cases "in which some service becomes creditable on or before June 30, 1997 and some service becomes creditable after June 30, 1997, Federal Benefit Payments are computed under the rules of the applicable plan as though: (1) The employee were eligible to retire as of June 30, 1997, under the same conditions as the actual retirement (that is, using the annuity computation formula that applies under the plan in effect on June 29, 1997, and the retirement age, including any applicable age reduction, based on the age at actual retirement; (2) the service that became creditable after June 30, 1997 did not exist; and (3) the average salary is the average salary at separation." The original proposed regulations were largely derived from this general rule.

In the course of developing the STAR system, the development team and the subject matter experts from ODCP and the DCRB determined that additional rules for benefit calculation scenarios were needed to simplify development and to address situations that had not been considered when the original regulations were published in 2000. STAR was programmed with these additional rules. These amendments to subpart C establish these additional rules and provide additional examples of benefit calculation scenarios. These amendments have no significant financial impact and are introduced to simplify calculations and maintain consistency with the general principles established in the original regulations.

For the convenience of readers, Treasury is restating subpart C in its entirety. However, this preamble addresses only those portions of subpart C that are being amended. For discussion of subpart C as originally proposed, see 64 FR 69432, 69434–36, December 13, 1999 and the preamble addressing the comments to the final regulations at 65 FR 77500–77501, December 12, 2000.

Proposed Amendments

Section 29.334 provides the rules for determining when deposit service is creditable for Federal Benefit Payments. The paragraph is expanded in section 29.334(a)(3) to provide for situations where deposits in Treasury funds are to be transferred to District retirement funds.

Section 29.335 provides the rules for determining when refunded service is creditable for Federal Benefit Payments. The paragraph is expanded in section 29.335(c) to provide for situations where redeposits in Treasury funds are to be transferred to District retirement funds.

Section 29.341 provides the General Principle for calculating Federal Benefit Payments. The paragraph is amended to cover an exception when Congress amends the terms of the District Retirement Program in effect on June 29, 1997.

Section 29.343 provides the rules for determining the Federal Benefit Payment in the case of a disability retirement. Section 29.343(c) is added to provide the rule for determining the Federal Benefit Payment when the individual's Federal Benefit Payment calculated under optional retirement exceeds the individual's total annuity calculated under disability retirement.

This situation can occur when an individual meets the requirements for both normal and disability retirement and elects disability retirement.

Section 29.344 provides the rules for determining the Federal Benefit Payment for survivors. The paragraph is amended to combine the provisions of current sections 29.344(a) and 29.344(b) into section 29.344(b), which provides the rule for determining the Federal Benefit Payment for survivors when death benefits are not determined by the length of service. Section 29.344(a) is added to provide the rule for determining the Federal Benefit Payment for survivors when death benefits are determined by the length of service. Section 29.344(c) is added to provide the rule for determining the Federal Benefit Payment for survivors when an individual retires based on disability or voluntary early retirement and dies before reaching the age at which a Federal Benefit Payment is payable to the individual.

Section 29.345 provides the rules for adjustments of Federal Benefit Payments after the initial calculation. Under current section 29.345, cost-of-living increases are applied directly to Federal Benefit Payments. The paragraph is amended in section 29.345(a) to introduce the federal percentage, which is applied each year after a cost-of-living increase to the total annuity to determine the new Federal Benefit Payment. This methodology required fewer programming changes in STAR and has de minimus financial impact. Section 29.345(b) is added to provide the rule for determining the Federal Benefit Payment when the total annuity is recalculated as the result of a service-based adjustment or a plan provision enacted after June 30, 1997 which does not apply to the Federal Benefit Payment.

Section 29.346 provides the rule to calculate a Federal Benefit Payment when there is an election of a reduced benefit. The paragraph is amended such that the calculation results in a reduction to the Federal Benefit Payment that is proportional to the reduction in the total annuity.

Sections 29.351 through 29.353 provide the rules for calculating the federal share of refunded employee retirement contributions and refunded purchase of service deposits.

The examples in appendix A to subpart C have been amended or expanded to illustrate the new methodology applications arising from the above section changes.

Example 10A is amended to show how the Federal Benefit Payment is calculated for a teacher who retires and elects to provide a full survivor annuity. Example 10B is amended to show how the Federal Benefit Payment is calculated for a teacher who retires and elects to provide a partial survivor annuity.

Example 13A is amended to show how a spouse survivor's Federal Benefit Payment is calculated when the employee elects at retirement that the survivor annuity be a percentage of the employee's total annuity. The current Example 13D is redesignated as Example 13E. The current Example 13C is redesignated as Example 13D and unused sick leave credit is added. Example 13C is added to show how a spouse survivor's Federal Benefit Payment is calculated when a teacher elects at retirement to provide a flat amount survivor annuity. Example 13F is added to show how a spouse survivor's Federal Benefit Payment is calculated when the spouse survivor's total annuity is based on plan provisions adopted after June 30, 1997. Example 13G is added to show how a spouse survivor's Federal Benefit Payment is calculated when a police officer or firefighter not eligible for optional retirement retires on disability and dies before reaching age 55. Example 13H is added to show how a spouse survivor's Federal Benefit Payment is calculated when a teacher not eligible for optional retirement retires on disability and dies before reaching age 62.

Example 14A is amended to show how the federal percentage for a teacher who retires is used to calculate a new Federal Benefit Payment after a cost-of-living increase. The current Example 14B is redesignated as Example 14H and amended to show the use of the federal percentage. Example 14B is added to show how a federal percentage for a teacher who retires and elects a percentage survivor annuity is used to calculate the survivor's new Federal Benefit Payment after a cost-of-living increase. Example 14C is added to show how if a teacher retires and elects a flat amount survivor annuity, a federal percentage for the survivor is calculated and used to calculate a new Federal Benefit Payment after a cost-of-living increase. Example 14D is added to show how if a teacher dies while an employee, and the survivor annuity is related to the teacher's length of service, a federal percentage for the teacher is calculated and used to calculate the survivor's new Federal Benefit Payment after a cost-of-living increase. Example 14E is added to show how if a teacher dies while an employee, and the survivor annuity is not related to the teacher's length of service, a federal percentage for the survivor is calculated and used to calculate a new Federal Benefit Payment after a cost-of-living increase. Example 14F is added to show how a federal percentage is calculated for a spouse survivor of a retired police officer or firefighter and used to calculate a new Federal Benefit Payment after a cost-of-living increase. Example 14G is added to show how if a police officer or firefighter dies while an employee, a federal percentage for the survivor is calculated and used to calculate a new Federal Benefit Payment after a cost-of-living increase.

Executive Order 12866, Regulatory Planning and Review

Because this rule is not a significant regulatory action for purposes of Executive Order 12866, a regulatory assessment is not required.

Regulatory Flexibility Act

It is hereby certified that this regulation will not have a significant economic impact on a substantial number of small entities. The regulation will only affect the determination of the Federal portion of retirement benefits to certain former employees of the District of Columbia and will not have an effect on small entities. Accordingly, a regulatory flexibility analysis is not required by the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

List of Subjects in 31 CFR Part 29

Administrative practice and procedure, claims, Disability benefits, Firefighters, Government employees, Intergovernmental relations, Law enforcement officers, Pension, Retirement, Teachers.

Accordingly, the Department of the Treasury proposes to amend subtitle A of title 31 of the Code of Federal Regulations by revising subpart C of part 29 to read as follows:

PART 29—FEDERAL BENEFIT PAYMENTS UNDER CERTAIN DISTRICT OF COLUMBIA RETIREMENT PROGRAMS

1. The authority citation for part 29 is revised to read as follows:

Authority: Subtitle A and Chapter 3 of Subtitle H, of Pub. L. 105–33, 111 Stat. 712–731 and 786–787; as amended.

2. Subpart C is revised to read as follows:

Subpart C—Split Benefits

Sec.

Subpart C—Split Benefits

§ 29.301 Purpose and scope.

(a) The purpose of this subpart is to addresses the legal and policy issues that affect the calculation of the Federal and District of Columbia portions of benefits under subtitle A of Title XI of the Balanced Budget Act of 1997, Public Law 105–33, 111 Stat. 251, 712–731, and 786–787 enacted August 5, 1997, as amended.

(1) This subpart states general principles for the calculation of Federal Benefit Payments in cases in which the Department and the District government are both responsible for paying a portion of an employee's total retirement benefits under the Police and Firefighters Plan or the Teachers Plan.

(2) This subpart provides illustrative examples of sample computations to show the application of the general principles to specific problems.

(b)(1) This subpart applies only to benefits under the Police and Firefighters Plan or the Teachers Plan for individuals who have performed service creditable under these programs on or before June 30, 1997.

(2) This subpart addresses only those issues that affect the split of fiscal responsibility for retirement benefits (that is, the calculation of Federal Benefit Payments).

(3) Issues relating to determination and review of eligibility and payments, and financial management, are beyond the scope of this subpart.

(c) This subpart does not apply to benefit calculations under the Judges Plan.

§ 29.302 Definitions.

In this subpart (including appendix A of this subpart)—

Deferred retirement means retirement under section 4–623 of the D.C. Code (1997) (under the Police and Firefighters Plan) or section 31–1231(a) of the D.C. Code (1997) (under the Teachers Plan).

Deferred retirement age means the age at which a deferred annuity begins to accrue, that is, age 55 under the Police and Firefighters Plan and age 62 under the Teachers Plan.

Department service or departmental service means any period of employment in a position covered by the Police and Firefighters Plan or Teachers Plan. Department service or departmental service may include certain periods of military service that interrupt a period of employment under the Police and Firefighters Plan or the Teachers Plan.

Disability retirement means retirement under section 4–615 or section 4–616 of the DC Code (1997) (under the Police and Firefighters Plan) or section 31–1225 of the DC Code (1997) (under the Teachers Plan), regardless of whether the disability was incurred in the line of duty.

Enter on duty means commencement of employment in a position covered by the Police and Firefighters Plan or the Teachers Plan.

Excess leave without pay or excess LWOP means a period of time in a non-pay status that in any year is greater than the amount creditable as service under § 29.105(d).

Hire date means the date the employee entered on duty.

Military service means—

(1) For the Police and Firefighters Plan, military service as defined in section 4–607 of the DC Code (1997) that is creditable as other service under section 4–602 or section 4–610 of the DC Code (1997); and

(2) For the Teachers Plan, military service as described in section 31–1230(a)(4) of the DC Code (1997).

Optional retirement means regular longevity retirement under section 4–618 of the DC Code (1997) (under the Police and Firefighters Plan) or section 31–1224(a) of the DC Code (1997) (under the Teachers Plan).

Other service means any period of creditable service other than departmental service or unused sick leave. Other service includes service that becomes creditable upon payment of a deposit, such as service in another school system (under section 31–1208 of the DC Code (1997)) (under the Teachers Plan) or prior governmental service (under the Teachers Plan and the Police and Firefighters Plan); and service that is creditable without payment of a deposit, such as military service occurring prior to employment (under the Teachers Plan and the Police and Firefighters Plan).

Pre-80 hire means an individual whose annuity is computed using the formula under the Police and Firefighters Plan applicable to individuals hired before February 15, 1980.

Pre-96 hire means an individual whose annuity is computed using the formula under the Teachers Plan applicable to individuals hired before November 1, 1996.

Sick leave means unused sick leave, which is creditable in a retirement computation, as calculated under § 29.105(c).

General Principles for Determining Service Credit To Calculate Federal Benefit Payments

§ 29.311 Credit only for service performed on or before June 30, 1997.

Only service performed on or before June 30, 1997, is credited toward Federal Benefit Payments.

§ 29.312 All requirements for credit must be satisfied by June 30, 1997.

Service is counted toward Federal Benefit Payments only if all requirements for the service to be creditable are satisfied as of June 30, 1997.

§ 29.313 Federal Benefit Payments are computed based on retirement eligibility as of the separation date and service creditable as of June 30, 1997.

Except as otherwise provided in this subpart, the amount of Federal Benefit Payments is computed based on retirement eligibility as of the separation date and service creditable as of June 30, 1997.

Service Performed After June 30, 1997

§ 29.321 General principle.

Any service performed after June 30, 1997, may never be credited toward Federal Benefit Payments.

§ 29.322 Disability benefits.

If an employee separates for disability retirement after June 30, 1997, and, on the date of separation, the employee—

(a) Satisfies the age and service requirements for optional retirement, the Federal Benefit Payment commences immediately, that is, the Federal Benefit Payment is calculated as though the employee retired under optional retirement rules using only service through June 30, 1997 (*See* examples 7A and 7B of appendix A of this subpart); or

(b) Does not satisfy the age and service requirements for optional retirement, the Federal Benefit Payment begins when the disability retiree reaches deferred retirement age. (*See* § 29.343.)

All Requirements for Credit Must Be Satisfied by June 30, 1997

§ 29.331 General principle.

To determine whether service is creditable for the computation of Federal Benefit Payments under this subpart, the controlling factor is whether all requirements for the service to be creditable under the Police and Firefighters Plan or the Teachers Plan were satisfied as of June 30, 1997.

§ 29.332 Unused sick leave.

(a) For employees separated for retirement as of June 30, 1997, Federal Benefit Payments include credit for any unused sick leave that is creditable under the applicable plan.

(b) For employees separated for retirement after June 30, 1997, no unused sick leave is creditable toward Federal Benefit Payments.

§ 29.333 Military service.

(a) For employees who entered on duty on or before June 30, 1997, and whose military service was performed prior to that date, credit for military service is included in Federal Benefit Payments under the terms and conditions applicable to each plan.

(b) For employees who enter on duty after June 30, 1997, military service is not creditable toward Federal Benefit Payments, even if performed as of June 30, 1997.

(c) For employees who entered on duty on or before June 30, 1997, but who perform military service after that date, the credit for military service is not included in Federal Benefit Payments.

§ 29.334 Deposit service.

(a) *Teachers Plan.* (1) Periods of civilian service that were not subject to retirement deductions at the time they were performed are creditable for Federal Benefit Payments under the Teachers Plan if the deposit for the service was paid in full to the Teachers Plan as of June 30, 1997.

(2) No credit is allowed for Federal Benefit Payments under the Teachers Plan for any period of civilian service that was not subject to retirement deductions at the time it was performed if the deposit for the service was not paid in full as of June 30, 1997.

(3) In cases where a retiree receives credit from the District for a service deposit paid in installments that was not paid in full as of June 30, 1997, Treasury shall transfer to the District an amount equal to the portion of the deposit completed prior to June 30, 1997.

(b) *Police and Firefighters Plan.* No credit is allowed for Federal Benefit Payments under the Police and Firefighters Plan for any period of civilian service that was not subject to retirement deductions at the time that the service was performed. (See definition of "governmental service" at DC Code § 4–607(15) (1997).)

§ 29.335 Refunded service.

(a) Periods of civilian service that were subject to retirement deductions but for which the deductions were refunded to the employee are creditable for Federal Benefit Payments if the redeposit for the service was paid in full to the District government as of June 30, 1997.

(b) No credit is allowed for Federal Benefit Payments for any period of civilian service that was subject to retirement deductions but for which the deductions were refunded to the employee if the redeposit for the service was not paid in full to the District government as of June 30, 1997.

(c) In cases where a retiree receives credit from the District for a service redeposit paid in installments that was not paid in full as of June 30, 1997, Treasury shall transfer to the District an amount equal to the portion of the redeposit completed prior to June 30, 1997.

Calculation of the Amount of Federal Benefit Payments

§ 29.341 General principle.

(a) Where service is creditable both before and after June 30, 1997, Federal Benefit Payments are computed under the rules of the applicable plan as though—

(1) The employee were eligible to retire effective July 1, 1997, under the same conditions as the actual retirement (that is, using the annuity computation formula that applies under the plan in effect on June 29, 1997, and the retirement age, including any applicable age reduction, based on the age at actual retirement);

(2) The service that became creditable after June 30, 1997, did not exist; and

(3) The average salary is the average salary at separation.

(b) Exceptions to the general principle apply where:

(1) Congress amends the terms of the District Retirement Program in effect on June 29, 1997. For example, see section 11012(e) and (f) of the Balanced Budget Act of 1997, as amended by Public Laws 106–554, 107–290, and 108–133 (codified at DC Code § 1–803.02(e) and (f));

(2) The retirement is based on disability after June 30, 1997 (*see* 29.343); or

(3) The benefit is based on the death of an employee after June 30, 1997 and the survivor benefit is not based on years of service (*see* 29.344).

Note to § 29.341: *See* examples 7B, 9, and 13 of appendix A of this subpart.

§ 29.342 Computed annuity exceeds the statutory maximum.

(a) In cases in which the total computed annuity exceeds the statutory maximum:

(1) Federal Benefit Payments may equal total benefits even if the employee had service after June 30, 1997.

(2) If the employee had sufficient service as of June 30, 1997, to qualify for the maximum annuity under the plan, the Federal Benefit Payment is the maximum annuity under the plan. This will be the entire benefit except for any amount in excess of the normal maximum due to unused sick leave, which is the responsibility of the District. (*See* example 3, of appendix A of this subpart.)

(b) If the employee did not perform sufficient service as of June 30, 1997, to reach the statutory maximum benefit, but has sufficient service at actual retirement to exceed the statutory maximum, the Federal Benefit Payment is the amount earned through June 30, 1997. The District benefit payment is the amount by which the total benefit payable exceeds the Federal Benefit Payment.

§ 29.343 Disability benefits.

(a) The general rule that Federal Benefit Payments are calculated under the applicable retirement plan as though the employee were eligible for optional retirement and separated on June 30, 1997, does not apply to disability benefits prior to optional retirement age.

(b) In cases involving disability benefits prior to optional retirement age, no Federal Benefit Payment is payable until the retiree reaches the age of eligibility to receive a deferred annuity (age 55 under the Police and Firefighters Plan and age 62 under the Teachers Plan). When the age for deferred annuity is reached, the Federal Benefit Payment is paid using creditable service accrued as of June 30, 1997, and average salary (computed under the rules for the applicable plan) as of the date of separation. (*See* examples 6 and 7 of appendix A of this subpart.)

(c) In no case will the amount of the Federal Benefit Payment exceed the amount of the total disability annuity.

§ 29.344 Survivor benefits.

(a) The general rule that Federal Benefit Payments are calculated under the applicable retirement plan as though the employee were eligible for optional retirement and separated on June 30, 1997, applies to death benefits that are determined by length of service. In these cases, the survivor's Federal Benefit Payment is calculated by multiplying the survivor's total benefit by the ratio of the deceased retiree or employee's Federal Benefit Payment to the deceased retiree or employee's total annuity. (*See* examples 13A and B of appendix A of this subpart.)

(b) The general rule that Federal Benefit Payments are calculated under the applicable retirement plan as though the employee were eligible for optional retirement and separated on June 30, 1997, does not apply to death benefits that are not determined by length of service. In these cases, the survivor's Federal Benefit Payment is calculated by multiplying the survivor's total benefit by the deceased retiree or employee's number of full months of service through June 30, 1997, and then dividing by the retiree or employee's number of months of total service at retirement. (*See* examples 13C–F of appendix A of this subpart.)

(c) In cases involving a disability or early voluntary retiree who dies before reaching the age at which a Federal Benefit Payment is payable, the survivor's Federal Benefit Payment is calculated as though the employee had not retired from service, but had separated from service with eligibility to receive a deferred annuity. (*See* examples 13G and 13H of appendix A of this subpart.)

§ 29.345 Annuity adjustments.

(a) In cases in which the total annuity and the Federal Benefit Payment are equally impacted by a cost-of-living adjustment, the new Federal Benefit Payment is determined by applying the federal percentage of the total annuity to the new total annuity. (*See* examples 14A–G of appendix A of this subpart.)

(b) In cases in which the total annuity and the Federal Benefit Payment are not equally impacted by a change, such as a new plan provision or service-based adjustment, the Federal Benefit Payment is recalculated where applicable, and the federal percentage of the total annuity used to determine subsequent Federal Benefit Payments is recalculated. (*See* example 14H of appendix A of this subpart.)

§ 29.346 Reduction for survivor benefits.

If a retiree elects a reduction for a survivor annuity, the ratio of the unreduced Federal Benefit Payment to the unreduced total annuity is multiplied by the reduced total annuity to determine the reduced Federal Benefit Payment. (*See* example 10 of appendix A of this subpart.)

Calculation of the Split of Refunds of Employee Contributions and Deposits

§ 29.351 General principle.

Treasury will fund refunds of employee contributions and purchase of service deposits paid by or on behalf of a covered employee to the District of Columbia Police Officers' and Firefighters' Retirement Fund or District of Columbia Teachers' Retirement Fund on or before June 30, 1997.

§ 29.352 Refunded contributions.

For any given pay period, employee contributions are considered to have been made before the freeze date if the pay date was on or before June 30, 1997. As a result, for calendar year 1997, Treasury will fund refunds of employee contributions made by teachers through pay period 12 and fund refunds of employee contributions made by police officers and firefighters through pay period 13. If pay period records are unavailable for calendar year 1997, and the participant separated on or before June 30, 1997, Treasury will fund 100 percent of the refund of retirement contributions. If pay period records are unavailable for calendar year 1997, and the participant was hired before January 1, 1997 and separated after December 31, 1997, Treasury will fund 50 percent of the refund of retirement contributions made to teachers in calendar year 1997, and 48 percent of the retirement contributions made to police officers or firefighters in calendar year 1997. Otherwise, if the participant separated after June 30, 1997, the percent of contributions made in calendar year 1997 funded by Treasury is assumed to be the ratio where the numerator is the number of days before July 1 the participant was employed in calendar year 1997 and the denominator is the number of days the participant was employed in calendar year 1997.

§ 29.353 Refunded deposits.

Treasury will fund refunds of purchase of service deposits made by employees by lump sum payment or by installment payments on or before June 30, 1997.

Appendix A to Subpart C of Part 29—Examples

This appendix contains sample calculations of Federal Benefit Payments in a variety of situations.

Optional Retirement Examples

Example 1: No Unused Sick Leave

A. In this example, an individual covered by the Police and Firefighters Plan hired before 1980 retires in October 1997. At retirement, he is age 51 with 20 years and 3 days of departmental service plus 3 years, 4 months, and 21 days of military service that preceded the departmental service. The Federal Benefit Payment begins at retirement. It is based on the 19 years, 8 months, and 22 days of departmental service and 3 years, 4 months, and 21 days of military service performed as of June 30, 1997. Thus, the Federal Benefit Payment is based on 23 years and 1 month of service, all at the 2.5 percent accrual rate. The total annuity is based on 23 years and 4 months of service, all at the 2.5 percent accrual rate.

EXAMPLE 1A—POLICE OPTIONAL

[Pre-80 hire]

Total Annuity Computation
Birth date: 09/10/46
Hire date: 10/09/77
Separation date: 10/11/97
Department service: 20/00/03
Other service: 03/04/21
Sick leave:
.025 service: 23.333333
.03 service:
Average salary: $45,680.80
Total: $26,647.12
Total/month: $2,221.00
Federal Benefit Payment Computation
Birth date: 9/10/46
Hire date: 10/09/77
Freeze date: 06/30/97
Department service: 19/08/22
Other service: 03/04/21
Sick leave:
.025 service: 23.083333
.03 service:
Average salary: $45,680.80
Total: $26,361.61
Total/month: $2,197.00
Total federal/month ÷ total/month: 0.989194

B. In this example, the individual covered by the Police and Firefighters Plan was hired earlier than in example 1A and thus performed more service as of both June 30, 1997, and retirement in October 1997. At retirement, he is age 51 with 21 years, 11 months and 29 days of departmental service plus 3 years, 4 months, and 21 days of military service that preceded the departmental service. The Federal Benefit Payment begins at retirement. It is based on the 21 years, 8 months, and 18 days of departmental service and 3 years, 4 months, and 21 days of military service performed as of June 30, 1997. Thus, the Federal Benefit Payment is based on 25 years and 1 month of service, 1 year and 8 months at the 3.0 percent accrual rate and 23 years and 5 months at the 2.5 percent accrual rate (including 1 month consisting of 18 days of departmental service and 21 days of other service). The total annuity is based on 25 years and 4 months of service, 1 year and 11 months at the 3.0 percent accrual rate and 23 years and 5 months at the 2.5 percent accrual rate (including 1 month consisting of 29 days of departmental service and 21 days of other service).

EXAMPLE 1B—POLICE OPTIONAL

[Pre-80 hire]

Total Annuity Computation

Birth date: 09/10/46
Hire date: 10/13/75
Separation date: 10/11/97
Department service: 21/11/29
Other service: 03/04/21
Sick leave:
.025 service: 23.416667
.03 service: 1.916667
Average salary: $45,680.80
Total: $29,368.96
Total/month $2,447.00

Federal Benefit Payment Computation

Birth date: 09/10/46
Hire date: 10/13/75
Freeze date: 06/30/97
Department service: 21/08/18
Other service: 03/04/21
Sick leave:
.025 service: 23.416667
.03 service: 1.666667
Average salary: $45,680.80
Total: $29,026.36
Total/month: $2,419.00
Total federal/month ÷ total/month: 0.988557

Example 2: Unused Sick Leave Credit

In this example, an individual covered by the Police and Firefighters Plan and hired before 1980 retires in March 1998. At retirement, she is age 48 with 24 years, 8 months, and 6 days of departmental service plus 6 months and 4 days of other service (deposit paid before June 30, 1997) and 11 months and 11 days of unused sick leave. For a police officer (or a non-firefighting division firefighter) such an amount of sick leave would be 1,968 hours (246 days, based on a 260-day year, times 8 hours per day). For a firefighting division firefighter, such an amount would be 2,069 hours (341 days divided by 360 days per year times 2,184 hours per year). The Federal Benefit Payment begins at retirement. It is based on the 23 years, 11 months, and 23 days of departmental service performed as of June 30, 1997, and 6 months and 4 days of other service. Thus, the Federal Benefit Payment is based on 20 years departmental and 6 months of other service at the 2.5 percent accrual rate and 3 years and 11 months of service at the 3.0 percent accrual rate. The total annuity is based on 20 years and 6 months of service at the 2.5 percent accrual rate and 5 years and 7 months of service at the 3 percent accrual rate.

EXAMPLE 2—POLICE OPTIONAL

[Pre-80 hire]

Total Annuity Computation

Birth date: 05/01/49
Hire date: 07/08/73
Separation date: 03/13/98
Department service: 24/08/06
Other service: 00/06/04
Sick leave: 00/11/11
.025 service: 20.5
.03 service: 5.583333
Average salary: $61,264.24
Total: $41,659.68
Total/month: $3,472.00

Federal Benefit Payment Computation

Birth date: 05/01/49
Hire date: 07/08/73
Freeze date: 06/30/97
Department service: 23/11/23
Other service: 00/06/04
Sick leave:
.025 service: 20.5
.03 service: 3.916667
Average salary: $61,264.24
Total: $38,596.47
Total/month: $3,216.00
Total federal/month ÷ total/month: 0.926267

Example 3: Calculated Benefit Exceeds Statutory Maximum

A. In this example, an individual covered by the Police and Firefighters Plan hired before 1980 retires in March 1998. At retirement, he is age 55 with 32 years and 17 days of departmental service. The Federal Benefit Payment begins at retirement. It is based on the 31 years, 3 months, and 17 days of departmental service performed as of June 30, 1997. Thus, the Federal Benefit Payment is based on 20 years of service at the 2.5 percent accrual rate and 11 years and 3 months of service at the 3.0 percent accrual rate. However, the annuity is limited to 80 percent of the basic salary at time of retirement. (This limitation does not apply to the unused sick leave credit.) The annuity computed as of June 30, 1997, equals the full benefit payable; therefore, the Federal Benefit Payment is the total benefit.

EXAMPLE 3A—POLICE OPTIONAL

[Pre-80 hire]

Total Annuity Computation

Birth date: 06/12/42
Hire date: 03/14/66
Separation date: 03/30/98
Department service: 32/00/17
Other service:
Sick leave:
.025 service: 20
.03 service: 12
Average salary: $75,328.30
Final salary: $77,180.00
Total: $64,782.34
Total/month: $5,399.00
Maximum: $61,744.00
Maximum/month: $5,145.00

Federal Benefit Payment Computation

Birth date: 06/12/42
Hire date: 03/14/66
Freeze date: 03/30/97
Department service: 31/03/17
Other service:
Sick leave:
.025 service: 20
.03 service: 11.25
Average salary: $75,328.30
Final salary: $77,180.00
Total: $63,087.45
Total/month: $5,257.00
Maximum: $61,744.00
Maximum/month: $5,145.00
Total federal/month ÷ total/month: 1.0

B. In this example, the individual in example 3A also has 6 months of unused sick leave at retirement. The sick leave credit is not subject to the 80% limitation and does not become creditable service until the date of separation. For a police officer (or a non-firefighting division firefighter) such an amount of sick leave would be 1,040 hours (130 days, based on a 260-day year, times 8 hours per day). For a firefighting division firefighter, such an amount would be 1,092 hours (180 days divided by 360 days per year times 2,184 hours per year). Six months of unused sick leave increases the annual total benefit by 1.5 percent of the average salary, or in the example by $94 per month. The District is responsible for the portion of the annuity attributable to the unused sick leave because it became creditable at retirement, that is, after June 30, 1997.

EXAMPLE 3B—POLICE OPTIONAL

[Pre-80 hire]

Total Annuity Computation

Birth date: 06/12/42
Hire date: 03/14/66
Separation date: 03/30/98
Department service: 32/00/17
Other service:
Sick leave:
.025 service: 20
.03 service: 12
Average salary: $75,328.30
Final salary: $77,180.00
Total wo/sl credit: $64,782.34
Total/month: $5,399.00
Max wo/sl credit: $61,744.00
Max w/sl credit: $62,873.92
Monthly benefit: $5,239.00

EXAMPLE 3B—POLICE OPTIONAL—Continued
[Pre-80 hire]

Federal Benefit Payment Computation

Birth date: 06/12/42
Hire date: 03/14/66
Freeze date: 06/30/97
Department service: 31/03/17
Other service:
Sick leave: none
.025 service: 20
.03 service: 11.25
Average salary: $75,328.30
Final salary: $77,180.00
Total: $63,087.45
Total/month: $5,257.00
Maximum: $61,744.00
Monthly benefit: $5,145.00
Total federal/month ÷ total/month: 0.982058

Example 4: Excess Leave Without Pay

In this example, an individual covered by the Teachers Plan hired before 1996 retires in February 1998. At retirement, she is age 64 with 27 years of departmental service and 6 years, 7 months, and 28 days of other service (creditable before June 30, 1997). However, only 6 months of leave in a fiscal year without pay may be credited toward retirement under the Teachers Plan. She had 3 months and 18 days of excess leave without pay as of June 30, 1997. Since the excess leave without pay occurred before June 30, 1997, the time attributable to the excess leave without pay is subtracted from the service used in both the Federal Benefit Payment and the total benefit computations. The Federal Benefit Payment begins at retirement. It is based on the 32 years and 8 months of service (32 years, 11 months, and 28 days minus 3 months and 18 days and the partial month dropped); 5 years of service at the 1.5 percent accrual rate, 5 years of service at the 1.75 percent accrual rate, and 22 years and 8 months of service at the 2 percent accrual rate. The total annuity is based on 33 years and 4 months of service (33 years, 7 months and 28 days minus 3 months and 18 days and the partial month dropped) 5 years of service at the 1.5 percent accrual rate, 5 years of service at the 1.75 percent accrual rate and 23 years and 4 months of service at the 2 percent accrual rate.

Note: For the Teachers Plan, section 1230(a) of title 31 of the D.C. Code (1997) allows for 6 months leave without pay in any fiscal year. For the Police and Firefighters Plan, section 610(d) of title 4 of the D.C. Code (1997) allows for 6 months leave without pay in any calendar year.

EXAMPLE 4—TEACHERS OPTIONAL
[Pre-96 hire]

Total Annuity Computation

Birth date: 11/04/33
Hire date: 03/01/71
Separation date: 02/28/98
Department service: 27/00/00
Other service: 06/07/28

EXAMPLE 4—TEACHERS OPTIONAL—Continued
[Pre-96 hire]

Excess LWOP: 00/03/18
.015 service: 5
.0175 service: 5
.02 service: 23.333333
Average salary: $53,121.00
Total: $33,421.98
Total/month: $2,785.00

Federal Benefit Payment Computation

Birth date: 11/04/33
Hire date: 03/01/71
Freeze date: 06/30/97
Department service: 26/04/00
Other service: 06/07/28
Excess LWOP: 00/03/18
.015 service: 5
.0175 service: 5
.02 service: 22.666667
Average salary: $53,121.00
Total: $32,713.66
Total/month: $2,726.00
Total federal/month ÷ total/month: 0.978815

Example 5: Service Credit Deposits

A. An individual covered by the Teachers Plan hired before 1996 retires in October 1997. At retirement, he is age 61 with 30 years and 3 days of departmental service plus 3 years, 4 months, and 21 days of other service that preceded the departmental service for which the deposit was fully paid on or before June 30, 1997. The Federal Benefit Payment begins at retirement. It is based on the 29 years, 8 months, and 22 days of departmental service and 3 years, 4 months, and 21 days of service performed as of June 30, 1997. Thus, the Federal Benefit Payment is based on 33 years and 1 month of service; 5 years of service at the 1.5 percent accrual rate, 5 years of service at the 1.75 percent accrual rate, and 23 years and 1 month of service at the 2 percent accrual rate. The total annuity is based on 33 years and 4 months of service; 5 years of service at the 1.5 percent accrual rate, 5 years of service at the 1.75 percent accrual rate and 23 years and 4 months of service at the 2 percent accrual rate.

EXAMPLE 5A—TEACHERS OPTIONAL
[Pre-96 hire]

Total Annuity Computation

Birth date: 09/10/36
Hire date: 10/09/67
Separation date: 10/11/97
Department Service: 30/00/03
Other service: 03/04/21
Deposit paid before freeze date:
Other service credit allowed:
Sick leave:
.015 service: 5
.0175 service: 5
.02 service: 23.333333
Average salary: $45,680.80
Total: $28,740.85
Total/month: $2,395.00

EXAMPLE 5A—TEACHERS OPTIONAL—Continued
[Pre-96 hire]

Federal Benefit Payment Computation

Birth date: 09/10/36
Hire date: 10/09/67
Freeze date: 06/30/97
Department service: 29/08/22
Other service: 03/04/21
Deposit paid before freeze date:
Other service credit allowed:
Sick Leave:
.015 service: 5
.0175 service: 5
.02 service: 23.08333; 13 days dropped
Average salary: $45,680.80
Total: $28,512.45
Total/month: $2,376.00
Total federal/month ÷ total/month: 0.992067

B. In this example, the employee in example 5A did not pay any of the deposit to obtain credit for the 3 years, 4 months, and 21 days of other service as of June 30, 1997. Thus, none of the other service is used in the computation of the Federal Benefit Payment. An individual covered by the Teachers Plan hired before 1996 retires in October 1997. At retirement, he is age 61 with 30 years and 3 days of departmental service plus 3 years, 4 months, and 21 days of other service that preceded the departmental service for which the deposit was paid in full in October 1997 (at retirement). The Federal Benefit Payment begins at retirement. It is based on only the 29 years, 8 months, and 22 days of departmental service performed as of June 30, 1997; 5 years of service at the 1.5 percent accrual rate, 5 years of service at the 1.75 percent accrual rate, and 19 years and 8 months of service at the 2 percent accrual rate. The total annuity is based on 33 years and 4 months of service; 5 years of service at the 1.5 percent accrual rate, 5 years of service at the 1.75 percent accrual rate and 23 years and 4 months of service at the 2 percent accrual rate.

EXAMPLE 5B—TEACHERS OPTIONAL
[Pre-96 hire]

Total Annuity Computation

Birth date: 09/10/36
Hire date: 10/09/67
Separation date: 10/11/97
$0.00
Department service: 30/00/03
Other service: 03/04/21
Total deposit paid after 6/30/97:
Sick leave:
.015 service: 5
.0175 service: 5
.02 service: 23.333333
Average salary: $45,680.80
Total: $28,740.85
Total/month: $2,395.00

Federal Benefit Payment Computation

Birth date: 09/10/36
Hire date: 10/09/67

EXAMPLE 5B—TEACHERS OPTIONAL—Continued

[Pre-96 hire]

Freeze date: 06/30/97
Department service: 29/08/22
Other service: none
Total deposit paid after 6/30/97:
Sick leave:
.015 service: 5
.0175 service: 5
.02 service: 19.666667; 22 days dropped
Average salary: $45,680.80
Total: $25,390.90
Total/month: $2,116.00
Total federal/month ÷ total/month: 0.883507

C. In this example, the employee in examples 5A and B began installment payments on the deposit to obtain credit for the 3 years, 4 months, and 21 days of other service as of June 30, 1997, but did not complete the deposit until October 1997 (at retirement). The other service is not used in the computation of the Federal Benefit Payment because the payment was not completed as of June 30, 1997. Thus, the result is the same as in example 5B.

EXAMPLE 5C—TEACHERS OPTIONAL

[Pre-96 hire]

Total Annuity Computation

Birth date: 09/10/36
Hire date: 10/09/67
Separation date: 10/11/97
Department service: 30/00/03
Other service: 03/04/21
Partial deposit paid as of 6/30/97:
Deposit completed after 6/30/97:
Sick leave:
.015 service: 5
.0175 service: 5
.02 service: 23.333333
Average salary: $45,680.80
Total: $28,740.85
Total/month: $2,395.00

Federal Benefit Payment Computation

Birth date: 09/10/36
Hire date: 10/09/67
Freeze date: 06/30/97
Department service: 29/08/22
Other service: none
Partial deposit paid as of 6/30/97:
Deposit completed after 6/30/97:
Sick leave:
.015 service: 5
.0175 service: 5
.02 service: 19.666667; 22 days dropped
Average salary: $45,680.80
Total: $25,390.90
Total/month: $2,116.00
Total federal/month ÷ total/month: 0.883507

Disability Retirement Examples

Example 6: Disability Occurs Before Eligibility for Optional Retirement

A. In this example, an individual covered by the Police and Firefighters Plan hired before 1980 retires based on a disability in the line of duty in October 1997. At retirement, he is age 45 with 18 years, 5 months, and 11 days of departmental service. Since he had performed less than 20 years of service and had not reached the age of eligibility for an optional retirement, the Federal Benefit Payment does not begin at retirement. When the disability annuitant reaches age 55, he satisfies the age and service requirements for deferred retirement. At that time (August 20, 2007), the Federal Benefit Payment begins. It is based on the 18 years, 1 month, and 17 days of departmental service performed as of June 30, 1997, all at the 2.5 percent accrual rate.

EXAMPLE 6A—POLICE DISABILITY IN LINE OF DUTY, AGE 45

[Pre-80 hire]

Total Annuity Computation

Birth date: 08/20/52
Hire date: 05/14/79
Separation date: 10/24/97
Department service: 18/05/11
Other service:
Sick leave:
.025 service: 18.416667
.03 service:
Average salary: $47,788.64
Final salary: $50,938.00
Total: $22,002.70
Total/month: $1,834.00
2/3 of average pay: $31,859.11
Monthly: $2,655.00

Federal Benefit Payment Computation

Birth date: 08/20/52
Hire date: 05/14/79
Freeze date: 06/30/97
Department service: 18/01/17
Other service:
Sick leave:
.025 service: 18.083333
.03 service:
Average salary: $47,788.64
Final salary: $50,938.00
Total: $21,604.43
Total/month: $1,800.00; deferred
Total federal/month ÷ total/month: 0.0 (at time of retirement)

B. In this example, an individual covered by the Teachers Plan hired before 1996 retires based on a disability in December 1997. At retirement, she is age 49 with 27 years and 4 months of departmental service which includes 3 years, 3 months and 14 days of excess leave without pay (prior to June 30, 1997). Since she does not qualify for optional retirement at separation, the Federal Benefit Payment does not begin at separation. When the disability annuitant reaches age 62, she will satisfy the age and service requirements for deferred retirement. At that time (March 9, 2010), the Federal Benefit Payment begins. The time attributable to the excess leave without pay is subtracted from the service used to compute the Federal Benefit Payment. Since the excess leave without pay occurred before June 30, 1997, the deferred Federal Benefit Payment is based on the 23 years and 6 months of service; 5 years of service at the 1.5 percent accrual rate, 5 years of service at the 1.75 percent accrual rate, and 13 and 6 months of service at the 2 percent accrual rate.

EXAMPLE 6B—TEACHERS DISABILITY AGE 49

[Pre-96 hire]

Total Annuity Computation

Birth date: 03/09/48
Hire date: 09/01/70
Separation date: 12/31/97
Department service: 27/04/00
Other service:
Excess LWOP: 03/03/14
.015 service: 5
.0175 service: 5
.02 service: 14
Average salary: $53,121.00
Total: $23,506.04
Total/month: $1,959.00

Federal Benefit Payment Computation

Birth date: 03/09/48
Hire date: 09/01/70
Freeze date: 06/30/97
Department service: 26/10/00
Other service:
Excess LWOP: 03/03/14
.015 service: 5
.0175 service: 5
.02 service: 13.5
Average salary: $53,121.00
Total: $22,974.83
Total/month: $1,915.00; deferred
Total federal/month ÷ total/month: 0.0 (at time of retirement)

Example 7: Disability Occurs After Eligibility for Optional Retirement

A. In this example, an individual covered by the Police and Firefighters Plan hired before 1980 retires based on a disability in the line of duty in October 1997. At retirement, she is age 55 with 24 years, 5 months, and 11 days of departmental service. Since she was also eligible for optional retirement at the time of separation, the Federal Benefit Payment commences at retirement. It is based on the 24 years, 1 month, and 17 days of departmental service performed as of June 30, 1997. Thus, the Federal Benefit Payment is based on 20 years of service at the 2.5 percent accrual rate and 4 years and 1 month of service at the 3 percent accrual rate. The total annuity is based on the disability formula and is equal to two-thirds of average pay because that amount is higher than the 63.25 percent payable based on total service.

EXAMPLE 7A—POLICE DISABILITY IN LINE OF DUTY AGE 55

[Pre-80 hire]

Total Annuity Computation

Birth date: 10/01/42
Hire date: 05/14/73
Separation date: 10/24/97
Department service: 24/05/11

EXAMPLE 7A—POLICE DISABILITY IN LINE OF DUTY AGE 55—Continued

[Pre-80 hire]

Other service:
Sick leave:
.025 service: 20
.03 service: 4.416667
Average salary: $47,788.64
Final salary: $50,938.00
Total: $30,226.31
Total/month: $2,519.00
2/3 of average pay: $31,859.11
Monthly: $2,655.00

Federal Benefit Payment Computation

Birth date: 10/01/42
Hire date: 05/14/73
Freeze date: 06/30/97
Department service: 24/01/17
Other service:
Sick leave:
.025 service: 20
.03 service: 4.083333
Average salary: $47,788.64
Final salary: $50,938.00
Total: $29,748.43
Total/month: $2,479.00
Total federal/month ÷ total/month: 0.984121

B. In this example, an individual covered by the Teachers Plan hired before 1996 retires based on a disability in December 1997. At retirement, he is age 60 with 27 years and 4 months of departmental service which includes 3 years, 3 months and 14 days of excess leave without pay (prior to June 30, 1997). Since he qualifies for optional retirement at separation, the Federal Benefit Payment begins at retirement. Since the excess leave without pay occurred before June 30, 1997, and the total annuity is based on actual service (that is, exceeds the guaranteed disability minimum), the time attributable to the excess leave without pay is subtracted from the service used to compute the Federal Benefit Payment and total benefit. The Federal Benefit Payment is based on 23 years and 6 months of service; 5 years of service at the 1.5 percent accrual rate, 5 years of service at the 1.75 percent accrual rate, and 13 years and 6 months of service at the 2 percent accrual rate. The total annuity payable is based on 24 years of service; 5 years of service at the 1.5 percent accrual rate, 5 years of service at the 1.75 percent accrual rate, and 14 years of service at the 2 percent accrual rate.

EXAMPLE 7B—TEACHERS DISABILITY AGE 60

[Pre-96 hire]

Total Annuity Computation

Birth date: 03/09/37
Hire date: 09/01/70
Separation date: 12/31/97
Department service: 27/04/00
Other service:
Excess LWOP: 03/03/14
.015 service: 5
.0175 service: 5
.02 service: 14

EXAMPLE 7B—TEACHERS DISABILITY AGE 60—Continued

[Pre-96 hire]

Average salary: $53,121.00
Total: $23,506.04
Total/month: $1,959.00

Federal Benefit Payment Computation

Birth date: 03/09/37
Hire date: 09/01/70
Freeze date: 06/30/97
Department service: 26/10/00
Other service:
Excess LWOP: 03/03/14
.015 service: 5
.0175 service: 5
.02 service: 13.5
Average salary: $53,121.00
Total: $22,974.83
Total/month: $1,915.00
Total federal/month ÷ total/month: 0.977540

Deferred Retirement Examples

Example 8: All Service Before June 30, 1997

In this example, an individual covered by the Police and Firefighters Plan hired before 1980 separated in March 1986 with title to a deferred annuity. In November 1997, he reaches age 55 and becomes eligible for the deferred annuity based on his 15 years, 9 months, and 8 days of departmental service, all at the 2.5 percent accrual rate. The total annuity is based on the same 15 years, 9 months, and 8 days of service all at the 2.5 percent accrual rate. Since all the service is creditable as of June 30, 1997, the Federal Benefit Payment equals the total annuity.

EXAMPLE 8—POLICE DEFERRED

[Pre-80 hire]

Total Annuity Computation

Birth date: 11/20/42
Hire date: 06/01/70
Separation date: 03/08/86
Department service: 15/09/08
Other service:
Sick leave:
.025 service: 15.75
.03 service: 0
Average salary: $30,427.14
Final salary: $45,415.00
Total: $11,980.69; deferred
Total/month: $998.00; deferred

Federal Benefit Payment Computation

Birth date: 11/20/42
Hire date: 06/01/70
Freeze date: 03/08/86
Department service: 15/09/08
Other service:
Sick leave:
.025 service: 15.75
.03 service: 0
Average salary: $30,427.14
Final salary: $45,415.00
Total: $11,980.69; deferred
Total/month: $998.00; deferred
Total federal/month ÷ total/month: 1.0; deferred

Example 9: Service Straddles June 30, 1997

In this example, an individual covered by the Police and Firefighters Plan hired before 1980 separated in December 1997 with title to a deferred annuity. In November 2007, he will reach age 55 and becomes eligible to receive a deferred annuity. At that time, the Federal Benefit Payment begins. It is based on the 18 years and 1 month of departmental service performed as of June 30, 1997, all at the 2.5 percent accrual rate. The total annuity begins at the same time, based on his 18 years, 6 months, and 8 days of departmental service, all at the 2.5 percent accrual rate.

EXAMPLE 9—POLICE DEFERRED

[Pre-80 hire]

Total Annuity Computation

Birth date: 11/20/52
Hire date: 06/01/79
Separation date: 12/08/97
Department service: 18/06/08
Other service:
Sick leave:
.025 service: 18.5
.03 service: 0
Average salary: $30,427.14
Final salary: $45,415.00
Total: $14,072.55; deferred
Total/month: $1,173.00; deferred

Federal Benefit Payment Computation

Birth date: 11/20/52
Hire date: 06/01/79
Freeze date: 06/30/97
Department service: 18/01/00
Other service:
Sick leave:
.025 service: 18.083333
.03 service: 0
Average salary: $30,427.14
Final salary: $45,415.00
Total: $13,755.60; deferred
Total/month: $1,146.00; deferred
Total federal/month ÷ total/month: 0.976982; deferred

Reduction To Provide a Survivor Annuity Examples

Example 10: Survivor Reduction Calculations

Both of the following examples involve a former teacher who elected a reduced annuity to provide a survivor benefit:

A. In this example, the employee elects to provide full survivor benefits of 55% of the employee's unreduced annuity. The total annuity is reduced by 2½ percent of the first $3,600 and 10 percent of the balance. The reduced Federal Benefit Payment is determined by multiplying the reduced total annuity (rounded) by the ratio of the unreduced Federal Benefit Payment to the unreduced total annuity. Military service occurred prior to June 30, 1997 and purchase of other service was completed prior to June 30, 1997.

EXAMPLE 10A—TEACHERS OPTIONAL W/SURVIVOR REDUCTION

[Pre-96 Hire]

Total Annuity Computation

Birth date: 11/01/42
Hire date: 11/01/68
Separation date: 12/31/97
Department service: 29/02/00
Other service: 03/09/18
Military: 00/09/11
.015 service: 5
.0175 service: 5
.02 service: 23.666667
Average salary: $66,785.00
Total unreduced: $42,464.13
Total unreduced/month: $3,539.00
Reduction: $3,976.41
Total: $38,487.72
Total/month: $3,207.00

Federal Benefit Payment Computation

Birth date: 11/01/42
Hire date: 11/01/68
Freeze date: 06/30/97
Department service: 28/08/00
Other service: 03/09/18
Military: 00/09/11
.015 service: 5
.0175 service: 5
.02 service: 23.166667
Average salary: $66,785.00
Total federal unreduced: $41,796.28
Total federal unreduced/month: $3,483.00
Total federal unreduced/month ÷ total unreduced/month: 0.984176
Total federal/month: $3,156.00

B. In this example, the employee elects to provide a partial survivor annuity of 26% of the employee's unreduced annuity. The total annuity is reduced by 2½ percent of the first $3,600 of $20,073.95 and 10 percent of the balance. The reduced Federal Benefit Payment is determined by multiplying the reduced total annuity (rounded) by the ratio of the unreduced Federal Benefit Payment to the unreduced total annuity.

EXAMPLE 10B—TEACHERS OPTIONAL W/SURVIVOR REDUCTION

[Pre-96 hire]

Total Annuity Computation

Birth date: 11/01/42
Hire date: 11/01/68
Separation date: 12/31/97
Department service: 29/02/00
Other service: 03/09/18
Military: 00/09/11
.015 service: 5
.0175 service: 5
.02 service: 23.666667
Average salary: $66,785.00
Total unreduced: $42,464.13
Total unreduced/month: $3,539.00
Reduction: $1,737.40
Total reduced: $40,726.73
Total reduced/month: $3,394.00

EXAMPLE 10B—TEACHERS OPTIONAL W/SURVIVOR REDUCTION—Continued

[Pre-96 hire]

Federal Benefit Payment Computation

Birth date: 11/01/42
Hire Date: 11/01/68
Freeze date: 06/30/97
Department service: 28/08/00
Other service: 03/09/18
Military: 00/09/11
.015 service: 5
.0175 service: 5
.02 service: 23.166667
Average salary: $66,785.00
Total federal unreduced: $41,796.28
Total federal unreduced/month: $3,483.00
Total federal unreduced/month ÷ total unreduced/month: 0.984176
Total federal reduced/month: $3,340.00

Early Optional or Involuntary Retirement Examples

Example 11: Early Optional With Age Reduction

In this example, an individual covered by the Teachers Plan hired before 1996 retires voluntarily in February 1998, under a special program that allows early retirement with at least 20 years of service at age 50 older, or at least 25 years of service at any age. At retirement, she is 6 full months short of age 55. She has 25 years and 5 months of departmental service; 6 years, 2 months, and 19 days of other service (creditable before June 30, 1997); and 2 months and 9 days of unused sick leave. Since she is not eligible for optional retirement and she is eligible to retire voluntarily only because of the District-approved special program, the Federal Benefit Payment is calculated similar to a disability retirement. It does not begin until she becomes eligible for a deferred annuity at age 62. When it commences the Federal Benefit Payment will be based on the service creditable as of June 30, 1997: 30 years and 11 months of service; 5 years of service at the 1.5 percent accrual rate, 5 years of service at the 1.75 percent accrual rate, and 20 years and 11 months of service at the 2 percent accrual rate. The total annuity is based on 5 years of service at the 1.5 percent accrual rate, 5 years of service at the 1.75 percent accrual rate and 21 years and 9 months of service at the 2 percent accrual rate (including the unused sick leave). Because the Federal Benefit Payment is based on the deferred annuity, rather than the early voluntary retirement, it is not reduced by the age reduction factor used to compute the total benefit.

EXAMPLE 11—TEACHERS EARLY OUT W/AGE REDUCTION

[Pre-96 hire]

Total Annuity Computation

Birth date: 09/20/43
Hire date: 10/01/72
Separation date: 02/28/98
Department service: 25/05/00
Other service: 06/02/19

EXAMPLE 11—TEACHERS EARLY OUT W/AGE REDUCTION—Continued

[Pre-96 hire]

Sick leave: 00/02/09
.015 service: 5
.0175 service: 5
.02 service: 21.75
Average salary: $69,281.14
Total unreduced: $41,395.48
Age reduction factor: 0.990000
Total reduced: $40,981.53
Total/month: $3,415.00

Federal Benefit Payment Computation

Birth date: 09/20/43
Hire date: 10/01/72
Freeze date: 06/30/97
Department service: 24/09/00
Other service: 06/02/19
.015 service: 5
.0175 service: 5
.02 service: 20.916667
Average salary: $69,281.14
Total unreduced: $40,240.80; deferred
Reduction factor: 1.000000 no reduction
Total reduced: $40,240.80; deferred
Total/month: $3,353.00 deferred
Total federal unreduced/month ÷ total unreduced/month: 0.0 (at time of retirement)

Example 12: Involuntary With Age Reduction

In this example, an individual covered by the Teachers Plan hired before 1996 retires involuntarily in February 1998. At retirement, she is 6 full months short of age 55. She has 25 years and 5 months of departmental service; 6 years, 2 months, and 19 days of other service (creditable before June 30, 1997); and 2 months and 9 days of unused sick leave. The Federal Benefit Payment begins at retirement. It is based on the 30 years and 11 months of service; 5 years of service at the 1.5 percent accrual rate, 5 years of service at the 1.75 percent accrual rate, and 20 years and 11 months of service at the 2 percent accrual rate. The total annuity is based on 5 years of service at the 1.5 percent accrual rate, 5 years of service at the 1.75 percent accrual rate and 21 years and 9 months of service at the 2 percent accrual rate (including the unused sick leave). Both the Federal Benefit Payment and the total benefit are reduced by the age reduction factor.

EXAMPLE 12—TEACHERS INVOLUNTARY W/AGE REDUCTION

[Pre-96 hire]

Total Annuity Computation

Birth date: 09/20/43
Hire date: 10/01/72
Separation date: 02/28/98
Department service: 25/05/00
Other service: 06/02/19
Sick leave: 00/02/09
.015 service: 5
.0175 service: 5
.02 service: 21.75
Average salary: $69,281.14

EXAMPLE 12—TEACHERS INVOLUNTARY W/AGE REDUCTION—Continued

[Pre-96 hire]

Total unreduced: $41,395.48
Age reduction factor: 0.990000
Total reduced: $40,981.53
Total/month: $3,415.00

Federal Benefit Payment Computation

Birth date: 09/20/43
Hire date: 10/01/72
Freeze date: 06/30/97
Department service: 24/09/00
Other service: 06/02/19
.015 service: 5
.0175 service: 5
.02 service: 20.916667
Average salary: $69,281.14
Total unreduced: $40,240.80
Age reduction factor: 0.990000
Total reduced: $39,838.39
Total/month: $3,320.00
Total federal/month ÷ total/month: 0.972182

Death Benefits Example

Example 13: Death Benefits Calculation

Examples A and B involve service-based death benefits calculations. Examples C–F involve non-service-based death benefits calculations. Examples G and H involve disability death benefit calculations.

A. In this example, an individual covered by the Teachers Plan retires in December 1997 and elects to provide a full survivor annuity. He dies in June 1998. The survivor's Federal Benefit Payment is 98.4 percent ($3,483 ÷ $3,539) of the total survivor benefit.

EXAMPLE 13A—TEACHERS DEATH BENEFITS

[Pre-96 hire]

Total Annuity Computation

Birth date: 11/01/42
Hire date: 11/01/68
Separation date: 12/31/97
Death date: 06/24/98
Department service: 29/02/00
Other service: 03/09/18
Military: 00/09/11
Average salary: $66,785.00
Total unreduced/month (retiree): $3,539.00
Total/month (survivor): $1,946.00

Federal Benefit Payment Computation

Birth date: 11/01/42
Hire date: 11/01/68
Freeze date: 06/30/97
Death date: 06/24/98
Department service: 28/08/00
Other service: 03/09/18
Military: 00/09/11
Average salary: $66,785.00
Total federal unreduced/month (retiree): $3,483.00
Total federal unreduced/month (retiree) ÷ total unreduced/month (retiree): 0.984176
Total federal/month (survivor): $1,915.00

B. In this example, a teacher dies in service on June 30, 1998 after 31 years of departmental service. Since the survivor annuity is based on actual service, the Federal Benefit Payment is 96.5 percent ($1,818 ÷ $1,883) of the total survivor benefit.

EXAMPLE 13B—TEACHERS DEATH BENEFITS

[Pre-96 hire]

Total Annuity Computation

Birth date: 07/01/39
Hire date: 07/01/67
Separation date: 06/30/98
Death date: 06/30/98
Department service: 31/00/00
Average salary: $38,787.88
Total (retiree): $22,593.94
Total/month (retiree): $1,883.00
Total/month (survivor): $1,036.00

Federal Benefit Payment Computation

Birth date: 07/01/39
Hire date: 07/01/67
Freeze date: 06/30/97
Death date: 06/30/98
Department service: 30/00/00
Average salary: $38,787.88
Total federal (retiree): $21,818.18
Total federal/month (retiree): $1,818.00
Total federal/month (retiree) ÷ total/month (retiree): 0.965481
Total federal/month (survivor): $1,000.00

C. In this example, as in Example A, an individual covered by the Teachers Plan retires in December 1997 but elects to provide a survivor annuity of $12,000. He dies in June 1998. Because the amount of the survivor annuity is not service-based, the Federal Benefit Payment is a prorated portion of the total benefit. Since the teacher had 398 months of service as of the freeze date and 404 months of service, at retirement, the Federal Benefit Payment equals 398/404ths of the total benefit.

EXAMPLE 13C—TEACHERS DEATH BENEFITS

[Pre-96 hire]

Total Annuity Computation

Birth date: 11/01/42
Hire date: 11/01/68
Separation date: 12/31/97
Death date: 06/24/98
Department service: 29/02/00
Other service: 03/09/18
Military: 00/09/11
Months of service: 404
Total: $12,000.00
Total/month: $1,000.00

Federal Benefit Payment Computation

Birth date: 11/01/42
Hire date: 11/01/68
Freeze date: 06/30/97
Death date: 06/24/98
Department service: 28/08/00
Other service: 03/09/18
Military: 00/09/11
Months of service: 398
Federal service ÷ total service: 0.985149
Total: $11,820.00
Total/month: $985.00

D. In this example, a teacher dies in service on April 1, 1998 after 14 years and 6 months of departmental service. Because the survivor annuity is based on the guaranteed minimum, the Federal Benefit Payment is a prorated portion of the total benefit. Since the teacher had 165 months of service as of the freeze date and 180 months of service, including unused sick leave, at death, the Federal Benefit Payment equals 165/180ths of the total benefit.

EXAMPLE 13D—TEACHERS DEATH BENEFITS

[Pre-96 hire]

Total Annuity Computation

Birth date: 04/01/61
Hire date: 10/01/83
Separation date: 04/01/98
Death date: 04/01/98
Department service: 14/06/01
Unused Sick Leave: 00/06/00
Average salary: $36,000.00
Months of service: 180
Total: $7,920.00
Total/month: $660.00

Federal Benefit Payment Computation

Birth date: 04/01/61
Hire date: 04/01/83
Freeze date: 06/30/97
Death date: 04/01/98
Department Service: 13/09/00
Average salary: $36,000.00
Months of service: 165
Federal service ÷ total service: 0.916667
Total: $7,260.00
Total/month: $605.00

E. In this example, as in the prior example, a teacher dies in service on April 1, 1998 after 15 years of departmental service. However, in this example, the teacher was age 40 on the hire date. The amount of service used in the survivor annuity calculation equals the amount of service that the teacher would have had if the teacher continued covered employment until age 60. Because the survivor annuity is based on projected service, a form of the guaranteed minimum, the Federal Benefit Payment is a prorated portion of the total benefit. Since the teacher had 171 months of service as of the freeze date and 180 months of service at death, the Federal Benefit Payment equals 171/180ths of the total benefit.

EXAMPLE 13E—TEACHERS DEATH BENEFITS

[Pre-96 hire]

Total Annuity Computation

Birth date: 04/01/43
Hire date: 04/01/83
Separation date: 04/01/98
Death date: 04/01/98
Department service: 15/00/01
Departmental Service projected to age 60: 20/00/01
.015 service: 5
.0175 service: 5
.02 service: 10
Average salary: $36,000.00
Months of service: 180
Total: $7,177.50
Total/month: $598.00

Federal Benefit Payment Computation

Birth date: 04/01/43
Hire date: 04/01/83
Freeze date: 06/30/97
Death date: 04/01/98
Department service: 14/03/00
Average salary: $36,000.00
Months of service: 171
Federal service ÷ total service: 0.950000
Total: $6,818.63
Total/month: $568.00

F. In this example, a police officer dies in the line of duty on July 31, 2001 after 18 years of departmental service. The survivor annuity is equal to 100 percent of the officer's pay at the time of death, as provided by District legislation effective October 1, 2000. However, the Federal Benefit Payment is calculated based on plan provisions in effect on June 29, 1997, which provided for a survivor annuity equal to 40 percent of the officer's pay at the time of death. Because the Federal Benefit Payment is not service-based and the officer had 167 months of service as of the freeze date and 216 months of service, including unused sick leave, at death, the Federal Benefit Payment equals 167/216ths of the total benefit calculated according to plan provisions in effect on July 1, 1997. The difference between the total benefit paid and the Federal Benefit Payment calculated according to plan provisions in effect on June 29, 1997 is the responsibility of the District government.

EXAMPLE 13F—POLICE DEATH BENEFITS

[Pre-96 hire]

Total Annuity Computation

Birth date: 07/13/62
Hire date: 08/01/83
Death date: 07/31/2001
Department service: 18/00/00
Average salary: $54,000.00
Final salary: $56,000.00
Months of service: 216
Total: $56,004.00
Total/month: $4,667.00
Total based on July 1, 1997 provisions: $21,600.00

EXAMPLE 13F—POLICE DEATH BENEFITS—Continued

[Pre-96 hire]

Total/month based on July 1, 1997 provisions: $1,800.00

Federal Benefit Payment Computation

Birth date: 07/13/62
Hire date: 08/01/83
Freeze date: 06/30/97
Death date: 07/31/2001
Department service: 13/11/00
Months of service: 167
Federal service ÷ total service: 0.773148
Total: $16,704.00
Total/month: $1,392.00

G. In this example, a firefighter dies on July 1, 1999 at age 47 after retiring based on a disability in the line of duty in November 1997. At separation, the firefighter was not eligible for optional retirement but was eligible to receive a deferred retirement annuity at age 55. Therefore, the survivor's Federal Benefit Payment is calculated based on the plan rules for deferred retirees. Under the Police and Firefighters Plan, if a separated police officer or firefighter eligible for deferred retirement dies before reaching age 55, the survivor is eligible to receive an annuity. The survivor annuity is based on the firefighter's adjusted average pay. Therefore, the survivor's Federal Benefit Payment is a prorated portion of the survivor annuity. Since the firefighter had 217 months of service as of the freeze date and 222 months of service at retirement, the survivor's Federal Benefit Payment equals 217/222nds of the total survivor benefit.

EXAMPLE 13G—FIREFIGHTERS DISABILITY/EARLY VOLUNTARY DEATH BENEFITS

Total Annuity Computation

Birth date: 08/20/52
Hire date: 05/14/79
Separation date: 11/28/97
Death date: 07/01/99
Department service: 18/06/15
Adjusted average salary: $45,987.00
Months of service: 222
Total: $18,396.00
Total/month: $1,533.00

Federal Benefit Payment Computation

Birth date: 08/20/52
Hire date: 05/14/79
Freeze date: 06/30/97
Death date: 07/01/99
Department service: 18/01/17
Adjusted average salary: $45,987.00
Months of service: 217
Federal service ÷ total service: .977477
Total: $17,976.00
Total/month: $1,498.00

H. In this example, a teacher dies on August 3, 1999 at age 58 after retiring based on a disability in April 1998. At separation, the teacher was not eligible for optional retirement but was eligible to receive a deferred retirement annuity at age 62. Therefore, the survivor's Federal Benefit Payment is calculated based on the plan rules for deferred retirees. Under the Teachers Plan, if a separated teacher eligible for deferred retirement dies before reaching age 62, the survivor is not eligible to receive an annuity. Therefore, the survivor's Federal Benefit Payment is zero and the survivor annuity is the full responsibility of the District.

EXAMPLE 13H—TEACHERS DISABILITY/EARLY VOLUNTARY DEATH BENEFITS

Total Annuity Computation

Birth date: 08/01/41
Hire date: 07/01/76
Separation date: 04/30/98
Death date: 08/03/99
Total: $21,888.00
Total/month: $1,824.00

Federal Benefit Payment Computation

Birth date: 08/01/41
Hire date: 07/01/76
Separation date: 04/30/98
Death date: 08/03/99
Total: $0.00
Total/month: $0.00
Total federal/month ÷ total/month: 0.0

Cost of Living Adjustment (COLA) Examples

Example 14: Application of Cost of Living Adjustments

In cases in which the District plan applies the same cost of living adjustment that is provided for the Federal Benefit Payment, the federal percentage is applied to the new total benefit after the adjustment to determine the new Federal Benefit Payment after the adjustment.

A. In this example, a teacher retiree receives a cost of living adjustment that is the same for the federal and District portions of the total benefit. The federal percentage for the retiree is applied to the new total benefit after the adjustment to determine the new Federal Benefit Payment after the adjustment.

EXAMPLE 14A—TEACHERS COLA—RETIREE W/SURVIVOR REDUCTION

[Pre-96 hire]

Benefit Computation (at retirement)

Total unreduced: $42,464.13
Total unreduced/month: $3,539.00
Total/month: $3,207.00
Federal unreduced: $41,796.28
Federal unreduced/month: $3,483.00
Federal percentage = federal unreduced/month ÷ total unreduced/month: 0.984176

COLA Computation

District and Federal COLA rate 5%:
Total COLA: $160.00
New total/month: $3,367.00

EXAMPLE 14A—TEACHERS COLA—RETIREE W/SURVIVOR REDUCTION—Continued

[Pre-96 hire]

New federal benefit/month = new total benefit/month × federal percentage = $3,314.00

B. In this example, a survivor of a deceased teacher retiree receives a cost of living adjustment that is the same for the federal and District portions of the total benefit. Since the survivor benefit is service related, the federal percentage for the retiree is applied to the new total benefit of the survivor after the adjustment to determine the new Federal Benefit Payment after the adjustment.

EXAMPLE 14B—TEACHERS COLA—SURVIVOR OF RETIREE

[Pre-96 hire]

Benefit Computation (at death of retiree whose annuity was based on service—percentage survivor election)

Total/month: $2,043.00
Federal percentage (retiree): 0.984176
Federal/month: $2,011.00

COLA Computation

District and Federal COLA rate 4.5%:
Total COLA: $92.00
New total/month: $2,135.00
New federal benefit/month = new total benefit/month × federal percentage = $2,101.00

C. In this example, a survivor of a deceased teacher retiree receives a cost of living adjustment that is the same for the federal and District portions of the total benefit. Since the survivor annuity is non-service related, the federal percentage for the survivor is applied to the new total benefit of the survivor after the adjustment to determine the new Federal Benefit Payment after the adjustment.

EXAMPLE 14C—TEACHERS COLA—SURVIVOR OF RETIREE

[Pre-96 hire]

Benefit Computation (at death of retiree—flat amount survivor election)

Total months of service: 404
Federal months of service: 398
Total/month: $1,000.00
Federal percentage = federal service ÷ total service: 0.985149
Federal/month: $985.00

COLA Computation

District and Federal COLA rate 4.5%:
Total COLA: $45.00
New total/month: $1,045.00

EXAMPLE 14C—TEACHERS COLA—SURVIVOR OF RETIREE—Continued

[Pre-96 hire]

New federal benefit/month = new total benefit/month × federal percentage = $1,029.00

Note: This method also applies to a percentage survivor election by a retiree whose annuity was based on a guaranteed minimum.

D. In this example, a survivor of a deceased teacher receives a cost of living adjustment that is the same for the federal and District portions of the total benefit. Since the survivor annuity is service related, the federal percentage based on the deceased teacher's service is applied to the new total benefit of the survivor after the adjustment to determine the new Federal Benefit Payment after the adjustment.

EXAMPLE 14D—TEACHERS COLA—SURVIVOR OF EMPLOYEE

[Pre-96 hire]

Benefit Computation (at death-based on service)

Total/month: $1,036.00
Federal/month: $1,000.00
Federal percentage = federal/month ÷ total/month: 0.965251

COLA Computation

District and Federal COLA rate 5%:
Total COLA: $52.00
New total benefit/month: $1,088.00
New federal benefit/month = new total benefit/month × federal percentage = $1,050.00

E. In this example, a survivor of a deceased teacher receives a cost of living adjustment that is the same for the federal and District portions of the total benefit. Since the survivor annuity is non-service related, the federal percentage for the survivor is applied to the new total benefit of the survivor after the adjustment to determine the new Federal Benefit Payment after the adjustment.

EXAMPLE 14E—TEACHERS COLA—SURVIVOR OF EMPLOYEE

[Pre-96 hire]

Benefit Computation (at death-guaranteed minimum)

Total months of service: 180
Federal months of service: 171
Total/month: $598.00
Federal percentage = federal service ÷ total service: 0.950000
Federal/month: $568.00

COLA Computation

District and Federal COLA rate 5%:
Total COLA: $30.00
New total/month: $628.00

EXAMPLE 14E—TEACHERS COLA—SURVIVOR OF EMPLOYEE—Continued

[Pre-96 hire]

New federal benefit/month: = new total benefit/month × federal percentage = $597.00

F. In this example, a survivor of a deceased retired police officer receives a cost of living adjustment that is the same for the federal and District portions of the total benefit. Since the survivor annuity is non-service related, the federal percentage for the survivor is applied to the new total benefit of the survivor after the adjustment to determine the new Federal Benefit Payment after the adjustment.

EXAMPLE 14F—POLICE COLA—SURVIVOR OF RETIREE

Benefit Computation (at death of retiree)

Total months of service: 240
Federal months of service: 236
Total/month: $1,614.00
Federal percentage = federal service ÷ total service: 0.983333
Federal/month: $1,587.00

COLA Computation

District and Federal COLA rate 5%:
Total COLA: $81.00
New total/month: $1,695.00
New federal benefit/month = new total benefit/month × federal percentage = $1,667.00

G. In this example, a survivor of a deceased firefighter receives a cost of living adjustment that is the same for the federal and District portions of the total benefit. Since the survivor annuity is non-service related, the federal percentage for the survivor is applied to the new total benefit of the survivor after the adjustment to determine the new Federal Benefit Payment after the adjustment.

EXAMPLE 14G—FIREFIGHTER COLA—SURVIVOR OF EMPLOYEE

Benefit Computation (at death of employee in the line of duty)

Total/month: $4,667.00
Federal/month: $1,867.00
Federal percentage = federal/month ÷ total/month: 0.400043

COLA Computation

District and Federal COLA rate 4.5%:
Total COLA: $210.00
New total benefit/month: $4,877.00
New federal benefit/month = New total benefit/month × federal percentage = $1,951.00

H. In this example, a new District plan provision applies a different cost of living adjustment than is provided for the Federal Benefit Payment. In Variation 1, the federal cost of living adjustment is applied to the Federal Benefit Payment and the District cost of living adjustment is applied to the total benefit. In Variation 2, the federal cost of living adjustment is applied to the Federal Benefit Payment and the District cost of living adjustment is applied to the District benefit payment. A new federal percentage equal to the ratio of the Federal Benefit Payment to the total benefit is established after the adjustments.

EXAMPLE 14H—TEACHERS COLA

[Pre-96 hire]

Benefit Computation (at retirement) Total Annuity Computation
Birth date: 11/04/48
Hire date: 03/01/86
Separation date: 02/28/2013
Department service: 27/00/00
Other service paid in 1995: 06/07/28
Excess LWOP in 1990: 00/03/18
.015 service: 5
.0175 service: 5
.02 service: 23.333333
Average salary: $53,121.00
Total: $33,421.96
Total/month: $2,785.00
Benefit Computation (at retirement) Federal Benefit Payment Computation
Birth date: 11/04/48
Hire date: 03/01/86
Freeze date: 06/30/1997
Department service: 11/04/00
Other service paid in 1995: 06/07/28
Excess LWOP in 1990: 00/03/18
.015 service: 5
.0175 service: 5
.02 service: 7.666667
Average salary: $53,121.00
Total: $16,777.38
Total/month: $1,398.00
Federal percentage: 0.501975
COLA Computation Variations Variation 1
District COLA rate 5% applied to total benefit:
Total COLA: $139.00
New total benefit/month: $2,924.00
Federal COLA rate 4%
Federal COLA: $56.00
New federal benefit/month: $1,454.00
New federal percentage: 0.497264
Variation 2
District COLA rate 5% applied to District benefit:
Old District benefit/month: $1,387.00
District COLA: $69.00
New District benefit/month: $1,456.00
Federal COLA rate 4%:
Federal COLA: $56.00
New federal benefit/month: $1,454.00
New total benefit/month: $2,910.00
New federal percentage: 0.499656

Retroactive Payment of Accrued Annuity Example

Example 15: Accrual of Federal Benefit Payment

The Federal Benefit Payment begins to accrue on the annuity commencing date, regardless of whether the employee is added to the annuity roll in time for the regular payment cycle. If the employee is due a retroactive payment of accrued annuity, the portion of the retroactive payment that would have been a Federal Benefit Payment (if it were made in the regular payment cycle) is still a Federal Benefit Payment. In this example, a teacher retired effective September 11, 1998. She was added to the retirement rolls on the pay date November 1, 1998 (October 1 to October 31 accrual cycle). Her Federal Benefit Payment is $3000 per month and her total benefit payment is $3120 per month. Her initial check is $5200 because it includes a prorated payment for 20 days (September 11 to September 30). The Federal Benefit Payment is $5000 of the initial check ($3000 for the October cycle and $2000 for the September cycle).

EXAMPLE 15—TEACHERS ACCRUED BENEFIT

[Pre-96 hire]

Total Annuity Computation
Birth date: 11/01/42
Hire date: 09/01/66
Separation date: 09/10/98
Department service: 32/00/10
.015 service: 5
.0175 service: 5
.02 service: 22
Average salary: $62,150.00
Total: $37,445.38
Total/month: $3,120.00
Sept 11–30: $2,080.00
Oct 1–31: $3,120.00
Nov 1–30: $3,120.00
Federal Benefit Payment Computation
Birth date: 11/01/42
Hire date: 09/01/66
Freeze date: 06/30/97
Department service: 30/10/00
.15 service: 5
.0175 service: 5
.02 service: 20.833333
Average salary: $62,150.00
Total: $35,995.21
Total/month: $3,000.00
Sept 11–30: $2,000.00
Oct 1–31: $3,000.00
Nov 1–30: $3,000.00

Dated: November 4, 2010.

Nancy Ostrowski,

Director, Office of DC Pensions.

[FR Doc. 2010–29152 Filed 11–19–10; 8:45 am]

BILLING CODE 4825–10–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 117

[Docket No. USCG–2010–0972]

RIN 1625–AA09

Drawbridge Operation Regulations; Bayou Liberty, Mile 2.0, St. Tammany Parish, Slidell, LA

AGENCY: Coast Guard, DHS.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Commander, Eighth Coast Guard District, has issued a notice of proposed rulemaking to change the regulation governing the operation of the S433 bridge over Bayou Liberty, mile 2.0, St. Tammany Parish, Slidell, LA. It will allow the bridge to remain unmanned during most of the day by requiring a two-hour notice for an opening of the draw. This proposed rule change will be in conjunction with a temporary deviation to test the rule change and allow for public comment.

DATES: Comments and related material must be received by the Coast Guard on or before January 21, 2011.

ADDRESSES: You may submit comments identified by docket number USCG–2010–0972 using any one of the following methods:

(1) *Federal eRulemaking Portal: http://www.regulations.gov.*

(2) *Fax:* 202–493–2251.

(3) *Mail:* Docket Management Facility (M–30), U.S. Department of Transportation, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590–0001.

(4) *Hand Delivery:* Same as mail address above, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The telephone number is 202–366–9329.

To avoid duplication, please use only one of these four methods. *See* the "Public Participation and Request for Comments" portion of the **SUPPLEMENTARY INFORMATION** section below for instructions on submitting comments.

FOR FURTHER INFORMATION CONTACT: If you have questions on this proposed rule, call or e-mail Jim Wetherington; Bridge Administration Branch, Eighth Coast Guard District, telephone 504–671–2128, e-mail *james.r.wetherington@uscg.mil.* If you have questions on viewing or submitting material to the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202–366–9826.