



What is the Special Retirement Supplement (SRS) for FERS employees?

On the way home from the base where she's worked since February 1988, Faith picks up her granddaughter, Cassie, from preschool. It makes her feel good to have a little one in the house again, even if it's only for a few hours before her mother gets off work. She thinks about how great it will be when she is retired and can spend more time with Cassie. Faith wonders if she will make enough in retirement and she begins to ponder as she watches Cassie play, "I'm nearly 60, I wish I could retire earlier, but we can't afford it without the social security income".

Faith *can* retire earlier and still get something in addition to her FERS annuity; it is called the Special Retirement Supplement (SRS). This was designed for employees who, like Faith, are eligible and desire to retire on an immediate annuity prior to age 62. It is less than social security will provide, but it does "bridge the gap" between retirement and social security eligibility. The SRS is a benefit for FERS employees only and does not affect her social security income. As a CSRS employee, Faith's husband Chris would not be eligible for this particular program.

Faith's Social Security (SS) Statement illustrates her SS benefit will be \$1079 per month at age 62. To calculate her supplement:

$$\text{SRS} = \text{SS benefit at age 62} \times (\text{number of years FERS service} / 40)$$

$$\text{Faith's SRS} = \$1079 \times (22 / 40) = \$593.45$$

Although not as much as her Social Security, the SRS will allow her to retire earlier than originally planned and enjoy more time with her granddaughter. However, Faith contemplates retiring with the SRS and taking a part time job. This would provide extra income and additional time with Cassie but she doesn't know if or how the part time work affects her annuity or SRS. This topic will be covered in the next issue.

Christy Capital Management, Inc., a Registered Investment Advisor, provides support for federal employees throughout the Southeast in investment consulting and retirement planning. Brandon S. Christy, CPA, PFS, President, and our team of advisors at Christy Capital, are knowledgeable in tax planning, federal benefits, and creative retirement strategies. Our firm would be honored to assist you, as our client, in obtaining your long term financial goals. If you would like more information, please visit us on the web at www.ChristyCapital.com, e-mail at info@ChristyCapital.com or you may contact us directly at 866-331-7749.

Brandon S. Christy, CPA, PFS, President

2939 McManus Rd • Macon, GA 31220 • www.ChristyCapital.com

(478) 314-2160 • Fax (877) 772-9155 • Toll Free (866) 331-7749 • Info@ChristyCapital.com