

The FEDERAL EDGE

Question of the Week:

How do mandatory retirement ages affect Special Provision Employees' annuities?

Answer:

One unusual rule regarding Special Provision Employees that you will have to become familiar with is the mandatory retirement age restrictions that is placed on these employees...

... Read more below

Topic of the Week: Mandatory Retirement Age

For Special Provision Employees



Who are the Special Provision Employees?

Special Provision Employees are Firefighters (FF), Law Enforcement Officers (LEO), and Air Traffic Controllers (ATC). Technically it also includes Legislative Officials and Employees, Federal Judges, Military Reserve Technicians, and a couple other more specific and uncommon occupations. But we are only going to focus on the first three today since those are the ones you are going to run into most often.

What are the mandatory ages?

Because these occupations usually involve high levels of stress, are physically demanding, or are sometimes even dangerous, OPM enforces mandatory retirement ages to help ensure the safety of the employees and the general public. FF's and LEO's have a

mandatory retirement age of 57 with 20 years of service. That means that once they reach age 57, as soon as they have 20 years of service they are automatically forced to retire from their position. The same is true for ATC's who have a slightly earlier age of 56 with 20 years of service. Two things I want to mention here: 1) these occupations typically have a maximum entry age as well, which usually guarantees that by age 56 or 57 the employee will be able to obtain 20 years of service, and 2) being forced to retire from their position does not mean that they are barred from federal employment forever. In fact many former Special Provision Employees choose to go back to work in a regular federal occupation to build up their retirement pension, continue investing in the TSP, or to simply keep from getting bored at home.

Early Retirement

We've talked about one side of the spectrum—how long an employee may continue working. But we haven't talked about the other side—how early can they retire? Unlike the previous discussion, in this case, we have to distinguish between CSRS and FERS. For CSRS employees they have only one option. They can retire as early as age 50. But remember, they must also meet the 20 years of service requirement to qualify. The 50/20 option is also available for FERS employees as well. But they also have another option available to them: retiring at any age with 25 years of service. And the best part about all of these options is that they qualify any Special Provision Employee for an immediate, unreduced annuity. They don't have to defer their annuity until 62 in order to get the full benefit; they get it in full beginning the very next month!