

Lwop effect on saved leave and other lwop information

K route- for each 10 days you will lose 1 day of annual, (20 days you will lose an additional day, etc.)

J route - 11 days

H route - 12 days

LWOP and Retirement Benefits

Any accumulated LWOP in excess of 6 months in a calendar year will impact retirement benefits. Any period of LWOP equaling less than 6 months will only have an impact on Thrift Savings Plan and Social Security benefits.

Service Credit / Retirement Eligibility:

LWOP in excess of 6 months in a calendar year will cause the service credit to be moved back. For example, if a carrier has 8 months of LWOP in a calendar year, their retirement credit will have 2 months of service deducted. This applies to both CSRS and FERS employees. Under CSRS, an employee receives approximately 2% of their high-3 average salary for each year of creditable service. If you assume a high-3 of \$40,000 this would equal approximately \$800 per year (for each year of service) or \$66.67 per month. Under FERS, an employee receives approximately 1% of their high-3 average salary for each year of creditable service. Again assuming a high-3 of \$40,000, this would equal approximately \$400 per year or \$33.33 per month. These monthly figures would have to be estimated on actuarial data to equate what a loss would total at the end of the employee's life expectancy.

Thrift Savings Plan:

Deductions are based on actual earned salary amounts. Earnings on these contributions only apply to the funds that are in the TSP. This would impact both investment earnings and tax shelter advantages for both CSRS and FERS employees. With FERS employee's there is the added loss of the employer's matching funds.

Social Security:

Benefits are based on the amount of Social Security Tax withholdings. These withholdings are based on actual earnings. The Social Security Administration uses the amount of actual taxable earnings to calculate a monthly Social Security benefit. This would impact FERS employees.