Billing Code: 6325-38

OFFICE OF PERSONNEL MANAGEMENT

Federal Employees' Retirement System; Present Value Factors

AGENCY: Office of Personnel Management.

ACTION: Notice.

SUMMARY: The Office of Personnel Management (OPM) is providing notice of adjusted present value factors applicable to certain retirees under the Federal Employees' Retirement System (FERS): Retirees who elect to provide survivor annuity benefits to a spouse based on post-retirement marriage; retiring employees who elect the alternative form of annuity; or retirees who elect to credit certain service with nonappropriated fund instrumentalities. This notice is necessary to conform the present value factors to changes in the economic and demographic assumptions adopted by the Board of Actuaries of the Civil Service Retirement System.

DATES: The revised present value factors apply to survivor reductions or employee annuities that commence on or after October 1, 2026.

ADDRESSES: Send requests for actuarial assumptions and data to the Board of Actuaries, care of Gregory Kissel, Senior Actuary, by email to actuary@opm.gov.

FOR FURTHER INFORMATION CONTACT: Kristopher Rogers, (202) 606-0299 or RetirementPolicy@opm.gov.

SUPPLEMENTARY INFORMATION: OPM published the present value factors currently in effect on April 14, 2023, at 88 FR 23109. In this edition of the **Federal Register**, OPM also publishes a notice to revise the normal cost percentage under the Federal Employees' Retirement System (FERS) Act of 1986, Pub. L. 99-335, based on changed actuarial assumptions adopted by the Board of Actuaries of the Civil Service Retirement System. Under 5 U.S.C. 8461(i), those changes require corresponding changes in the present value factors used to produce actuarially equivalent benefits when required by the FERS Act. The revised factors will become effective on October 1, 2026, to correspond with the changes in FERS normal cost percentages.

Several provisions of FERS require reduction of annuities on an actuarial basis. Under each of these provisions, OPM is required to issue regulations on the method of determining the reduction to ensure that the present value of the reduced annuity plus a lump sum equals, to the extent practicable, the present value of the unreduced benefit. The regulations for each of these benefits provide that OPM will publish a notice in the **Federal Register** whenever it changes the factors used to compute the present values of these benefits. The paragraphs below summarize each scenario where the present value factors are used.

Alternative Form of Annuity

Section 842.706(a) of title 5, Code of Federal Regulations, prescribes the method for computing the reduction in the beginning rate of annuity payable to a retiree who elects an alternative form of annuity under 5 U.S.C. 8420a. That reduction is required to produce an annuity that is the actuarial equivalent of the annuity of a retiree who does not elect an alternative form of annuity. The present value factors listed below are used to compute the annuity reduction under 5 CFR 842.706(a) and will apply to annuities that commence on or after October 1, 2026.

Post-Retirement Marriages Survivor Annuities

Section 842.615 of title 5, Code of Federal Regulations, prescribes the use of these factors for computing the reduction required for certain elections to provide survivor annuity benefits based on a post-retirement marriage or divorce under 5 U.S.C. 8416(b), 8416(c), or 8417(b). Under 5 U.S.C. 8416(b), 8416(c), and 8417(b) Congress enacted provisions that permitted OPM to cease collection of these survivor election deposits by means of either a lump-sum payment or installments. Instead, OPM is required to establish a permanent actuarial reduction in the annuity of the retiree. This means that OPM must take the amount of the deposit computed under the old law and translate it into a lifetime reduction in the retiree's benefit. The new factors will apply to survivor reductions that commence on or after October 1, 2026.

Nonappropriated Fund Instrumentalities Service Credit

Subpart F of 5 CFR part 847, prescribes the use of present value factors for computing the deficiency the retiree must pay to receive credit for certain service with nonappropriated fund instrumentalities made creditable by an election under 5 U.S.C. 8461(n). Subpart I of 5 CFR part 847 prescribes the use of present value factors for employees that elect to credit nonappropriated fund instrumentality service to qualify for immediate retirement under section 1132 of Public Law 107-107 (115 Stat. 1242). The new factors will apply to cases in which the date of computation under 5 CFR 847.603 or 847.809 is on or after October 1, 2026.

OPM is, therefore, revising the tables of present value factors to read as follows:

TABLE I.--FERS PRESENT VALUE FACTORS FOR AGES 62 AND OLDER

[Applicable to annuity payable following an election under 5 U.S.C. 8416(b), 8416(c), 8417(b), 8420a, under section 1043 of Public Law 104-106, or under section 1132 of Public Law 107-107.]

Age	Present value factor
62	222.9
63	216.3
64	209.6
65	202.9
66	196.1
67	189.2

68	182.4
69	175.5
70	168.6
71	161.7
72	154.8
73	148.0
74	141.2
75	134.5
76	127.8
77	121.2
78	114.8
79	108.5
80	102.3
81	96.3
82	90.5
83	84.9
84	79.5
85	74.3
86	69.3
87	64.5
88	59.9
89	55.6

90	51.6
91	47.9
92	44.4
93	41.2
94	38.3
95	35.7
96	33.3
97	31.2
98	29.4
99	27.7
100	26.2
101	24.8
102	23.5
103	22.2
104	20.8
105	19.3
106	17.3
107	14.4
108	9.5
109	6.4

TABLE II.A.--FERS PRESENT VALUE FACTORS FOR AGES 40 THROUGH 61

[Applicable to annuity payable when annuity is not increased by cost-of-living adjustments before age 62 following an election under 5 U.S.C. 8416(b), 8416(c), 8417(b), 8420a, under section 1043 of Public Law 104-106, or under section 1132 of Public Law 107-107]

Age	Present value factor
40	268.5
41	267.0
42	265.5
43	263.9
44	262.2
45	260.3
46	258.4
47	256.4
48	254.4
49	252.3
50	250.3
51	248.2
52	246.2
53	244.0
54	241.9
55	239.6
56	237.3

57	235.0
58	232.6
59	230.2
60	227.8
61	225.4

TABLE II.B.--FERS PRESENT VALUE FACTORS FOR AGES 40 THROUGH 61

[Applicable to annuity payable when annuity is increased by cost-of-living adjustments before age 62 following an election under 5 U.S.C. 8416(b), 8416(c), 8417(b), or 8420a, under section 1043 of Public Law 104-106, or under section 1132 of Public Law 107-107]

Age	Present value factor
40	350.7
41	345.9
42	340.9
43	335.9
44	330.6
45	325.3
46	319.7
47	314.1
48	308.4
49	302.7
50	297.0

51	291.2
52	285.4
53	279.5
54	273.5
55	267.5
56	261.3
57	255.1
58	248.8
59	242.4
60	236.0
61	229.5

TABLE III.--FERS PRESENT VALUE FACTORS FOR AGES AT CALCULATION BELOW 40

[Applicable to annuity payable following an election under section 1043 of Public Law 104-106 or under section 1132 of Public Law 107-107]

Age at calculation	Present value of a monthly annuity
17	438.1
18	435.1
19	432.0
20	428.9
21	425.7

22	422.5
23	419.2
24	415.8
25	412.3
26	408.8
27	405.2
28	401.5
29	397.7
30	393.9
31	390.0
32	385.9
33	381.9
34	377.7
35	373.4
36	369.1
37	364.6
38	360.1
39	355.5

Office of Personnel Management.

Alexys Stanley,
Federal Register Liaison Officer.

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