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OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 843

[Docket ID: OPM-2026-0367]

RIN: 3206-AP12

Federal Employees' Retirement System; Present Value Conversion Factors for Spouses of Deceased Separated Employees

AGENCY: Office of Personnel Management.

ACTION: Direct final rule; confirmation of effective date.

SUMMARY: The Office of Personnel Management (OPM) is confirming the effective date of its direct final rule revising the table of reduction factors for early commencing dates of survivor annuities paid to spouses of separated employees who die before the date on which they would be eligible for unreduced deferred annuities. OPM received no significant adverse comments during the comment period and confirms the rule was effective August 24, 2026.

DATES: The effective date of August 24, 2026, for the direct final rule published on June 23, 2026 (91 FR 37307) is confirmed.

ADDRESSES: Please refer to the direct final rule published at 91 FR 37307 (June 23, 2026) for address information.

FOR FURTHER INFORMATION CONTACT:

Kristopher Rogers, Office of Personnel Management, Retirement Services, (202) 606-0299, RetirementPolicy@opm.gov.

SUPPLEMENTARY INFORMATION:

I. Background

On June 23, 2026, OPM published in the Federal Register a direct final rule titled "Federal Employees' Retirement System; Present Value Conversion Factors for Spouses of Deceased Separated Employees" (91 FR 37307), amending appendix A to subpart C of 5 CFR

part 843, to revise the table of reduction factors for early commencing dates of survivor annuities paid to spouses of separated employees who die before the date on which they would be eligible for unreduced deferred annuities. Within the rule, OPM stated that, if no significant adverse comments were received by July 23, 2026, the direct final rule would become effective on August 24, 2026.

A significant adverse comment is a comment where the commenter explains why the rule would be inappropriate, challenges its underlying premise or approach, or shows why it would be ineffective or unacceptable without a change. A comment is adverse and significant if:

1. The comment opposes the rule and provides a reason sufficient to require a substantive response in a notice-and-comment process. For example, a substantive response is required when: (a) The comment causes OPM to reevaluate (or reconsider) its position or conduct additional analysis; (b) The comment raises an issue serious enough to warrant a substantive response to clarify or complete the record; or (c) The comment raises a relevant issue that was not previously addressed or considered by OPM;

2. The comment proposes a change or an addition to the rule, and it is apparent that the rule would be ineffective or unacceptable without incorporation of the change or addition; or

3. The comment causes OPM to make a substantive change to the rule.

As discussed in more detail in Section II, "Public Comment Analysis," OPM evaluated the comments received against the criteria described above and determined that none of the comments rose to the level of a significant adverse comment.

II. Public Comment Analysis

OPM received 7 timely comments related to the direct final rule. Commenters included Federal employees, private citizens and one labor organization representing nurses. Two commenters supported the direct final rule, stating the revision of the table of reduction factors would help prevent unfunded liabilities, safeguarding the Civil Service Retirement and Disability

Fund. Commenters also stated that removal of the obsolete table section improved clarity of the regulation. OPM agrees with these comments.

OPM received two comments that were unrelated to the direct final rule. Therefore, those comments are not addressed.

Three commenters raised concerns regarding the revision of the table of reduction factors. The following discussion summarizes and addresses their concerns. As discussed in those responses, the comments did not require OPM to reconsider the rule, conduct new analysis, supplement the factual basis necessary to support the rule, or make a substantive change to the rule.

Two commenters asserted that OPM did not provide sufficient information about the actuarial assumptions underlying the revised factors. OPM disagrees. The direct final rule identified the revised assumptions of the Board of Actuaries (Board) as the basis for the changes and referred readers to the revised Federal Employees' Retirement System (FERS) normal costs notice (91 FR 37433) published in the same issue of the Federal Register. The publicly available FY 2025 Civil Service Retirement and Disability Fund Annual Report (https://www.opm.gov/about-us/reports-publications/agency-reports/fy-2025-csrdf-annual-report.pdf) provides additional detail. The Board retained its long-term economic assumptions, including the 4.00 percent interest assumption, but revised certain demographic assumptions, including its assumptions concerning future mortality improvement. The revised early-commencement factors reflect those revised demographic assumptions.

Neither commenter identified an error in the Board's assumptions, an error in OPM's calculation of the factors, or an alternative calculation that would satisfy the statutory requirement for actuarial equivalence. The comments therefore did not cause OPM to reconsider its position, conduct additional actuarial analysis, or make a substantive change to the rule. OPM therefore concludes that these comments are not significant adverse comments.

One commenter questioned why the early commencing of survivor annuities factors changed but the Basic Employee Death Benefit (BEDB) factors did not. OPM did not revise the BEDB factors because the economic assumption relevant to that benefit did not change. The BEDB is a lump sum benefit that survivors can elect to receive in 36 equal monthly payments. The BEDB factors are used to convert the lump sum benefit into 36 equal monthly payments. They are not used to discount the lump sum benefit based on how long the surviving spouse is expected to live. If a surviving spouse elects the installment option and dies before receiving all 36 payments, the remaining portion is paid to the spouse's estate (see 5 CFR 843.309(c)(2)). As a result, mortality assumptions do not affect the BEDB installment factor in the same way they affect a life-contingent survivor annuity because OPM remains obligated to pay the remaining BEDB amount even if the spouse dies during the 36-month payment period.

The factors for early commencement of survivor annuities serve a different actuarial function. Those factors convert a survivor annuity that ordinarily would begin later into an actuarially equivalent annuity beginning immediately after the separated employee's death. Unlike the BEDB's 36-month installment option, a survivor annuity is a recurring life contingent benefit whose present value depends in part on the survivor's life expectancy. When the survivor dies, the annuity ends. Because the Board revised its demographic assumptions, including mortality assumptions applicable to survivors, OPM revised the early-commencement factors to reflect those changes.

One commenter opposed the revision of the factors because the updated factors would lower the annuity rates of spouses or former spouses of deceased separated Federal employees who elect to receive earlier benefits. Further, the commenter argued that their comment constituted a significant adverse comment and that the rule was inherently controversial. Compared to the previous factors, OPM agrees that the updated factors result in lower benefit amounts for those who elect to receive an earlier survivor annuity. However, when a survivor elects the earlier commencing date, OPM is required to pay a monthly benefit that is actuarially

equivalent to the present value of the benefit that would be paid at the later commencing date option (see 5 U.S.C. 8442(c)). OPM uses economic and demographic assumptions as set by the Board to determine actuarial equivalence. Although the economic assumptions remained unchanged, the Board changed several demographic assumptions at the 2025 Board Meeting, and this resulted in an update to the factors OPM uses to create actuarial equivalent benefits for spouses or former spouses of deceased separated Federal employees who elect to receive earlier benefits. Finally, in response to the commenter's assertion that this rulemaking is inherently controversial – OPM disagrees. Section 8461(i) requires OPM to make corresponding changes to factors used to produce actuarially equivalent benefits when the applicable actuarial assumptions change. Accordingly, OPM does not have discretion to retain factors that no longer produce the required actuarial equivalence. Additionally, the commenter does not identify an error in the revised factors, identify an error in the actuarial assumptions used to calculate them, or identify a legally permissible alternative that would preserve the prior factors while maintaining actuarial equivalence. Considering this, OPM has determined that this comment does not constitute a significant adverse comment.

One commenter argued that the removal of "1950 through 1966" column from the table titled "With at least 30 years of creditable service" was not fully explained. The commenter questioned whether the table's removal could affect pending claims and whether the column would later be available for reference. OPM appreciates the comment. The "1950 through 1966" column only applies when a separated employee dies before reaching their minimum retirement age (MRA). The youngest individuals in the 1950 through 1966 birth range were born in 1966. Those born in 1966 reached their MRA during 2023. Accordingly, after 2023 no employee within the 1950–1966 birth range could die before reaching their MRA, which is the circumstance in which this column would be used. The commenter also asked if the previous table is available for reference. The previous version of the table is available in the Federal

Register (88 FR 66679) and prior editions of the U.S. Code of Federal Regulations. OPM would apply the appropriate version in older claims, if needed.

One commenter noted that the rule does not provide examples of how the updated factors affect survivor annuities. Because the amount of an early-commencing survivor annuity depends on several individual circumstances, including the deceased employee's age, years of creditable service, and base annuity amount, no single example would represent all affected survivors. OPM nevertheless agrees that individualized information is important and notes that survivors receive personalized information detailing annuity options, including amounts, during the claims process.

After evaluating all the comments received against the criteria for significant adverse comments described in Section I of this notice, OPM has determined that none of the comments caused OPM to reconsider the rule, conduct additional actuarial analysis, or make a substantive change. The comments also did not identify an error in the revised factors or their underlying assumptions or show that the rule would be ineffective or unacceptable without a change.

Accordingly, OPM is issuing this notice to confirm that the amendments to appendix A to subpart C of 5 CFR part 843 published at 91 FR 37307 (June 23, 2026), became effective on August 24, 2026.

List of Subjects in 5 CFR Part 843

Air traffic controllers, Disability benefits, Firefighters, Government employees, Law enforcement officers, Pensions, Retirement.

Signing Statement

The Director of OPM, Scott Kupor, reviewed and approved this document and has authorized the undersigned to electronically sign and submit this document to the Office of the Federal Register for publication.

Office of Personnel Management

Jerson Matias,

Federal Register Liaison.

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