



[HOME](#) [ABOUT US](#) [HR/TRAINING OFFICERS](#) [FEDERAL EMPLOYEES](#) [CONTACT US](#)



## In-The-Know Monthly eNewsletter

### CSRS Offset: The Quirks

*Vanessa Craddock, Federal Benefits Specialist*

If you're CSRS Offset, and feel anxious about your retirement rules, you may have reason. You are not quite CSRS, and not at all FERS. There are only a fraction of you in the federal retirement system and growing smaller each year. You may not even know for sure what this system offers in retirement, but more than likely you're aware it pays differently. Is this good or bad? Let's look at some common concerns CSRS Offsets have voiced, then you can decide.

***I know there will be an Offset to my CSRS pension and there may be another reduction to my Social Security (SS) benefit. Will I get less overall?***

Generally no. While working as a CSRS Offset employee, your pay is reduced by 7% for retirement contributions. You pay only 0.8% into the CSRS retirement fund and 6.2% into the Social Security retirement fund. At age 62 or retirement if later, there will be an Offset (reduction) to your CSRS pension. The reduction is automatic. You have the option of drawing Social Security at this time to get your total retirement amount or of delaying until you are older to draw a higher SS benefit. In general, the amount of money the CSRS Offset retiree receives from two sources will be the amount payable under just CSRS. It will come from The Office of Personnel Management and the Social Security Administration.

***I am CSRS Offset and married to a CSRS employee. My spouse will not draw any Social Security on his own record. If I leave my spouse a full survivor annuity from my CSRS Offset retirement, will it be reduced at some point?***

OPM must reduce the survivor annuity if the spouse is eligible for Social Security survivor benefits based on the deceased CSRS Offset employee's [your] work record from Social Security. Normally, a CSRS spouse is not eligible for SS as your spouse, due to the Government Pension Offset (GPO). Therefore, the full survivor annuity will be payable.

***I worked solely under CSRS Offset for 30 years, never under CSRS. Will I still have an Offset on my CSRS pension and on my Social Security benefit?***

Yes, for the CSRS Offset pension, and most likely no for the Social Security retirement benefit. As long as you have at least 30 years of substantial earnings on your Social Security record, there should be no reduction to this benefit. However, your CSRS Offset annuity will be reduced by the amount of Social Security benefit you earned while working as a CSRS Offset employee.

***If I am retired and start to collect Social Security as early as age 62, should I decide to go back to work, will the amount of the Offset change? Will it ever go away?***

No. The reduction is made at age 62 or at retirement if later, based on the amount of Social Security benefit you earned while a CSRS Offset employee. That reduction is automatic and permanent whether you apply for your Social Security retirement benefit or not. Your Social Security benefit may be affected by your work however because there is an earnings limit. If you work while under your full retirement age for Social Security and your earnings exceed the limit, which is currently \$15,720 a year, for every \$2 you go over the limit, \$1 of Social Security will be deducted in the following year. This limit goes away when you reach full retirement age.

***I turned down FERS to be CSRS Offset because I was told it was the best of all worlds. What's so good about it?***

Despite the confusion of how the reductions may be applied, as a CSRS Offset employee, you may have clear advantages in retirement. You earn SS credits and make contributions to CSRS while working as a Federal employee. This requires OPM to use the more generous CSRS retirement rules and not FERS. The Government Pension Offset, a law that generally takes away spousal SS will not apply to you as it does to pure CSRS. Your total retirement benefit once you collect Social Security may be a higher amount than your entitlement under just CSRS alone. The more work you have under Social Security, the higher that benefit may increase. And it is possible you will not have any reduction to your SS benefit, (Windfall Elimination Provision) which does happen to the SS retirement benefit of those pure CSRS employees.

Although it has its quirks, you may end up drawing more as CSRS Offset with both retirement systems paying you. Enjoy it!

[HOME](#) [ABOUT US](#) [HR/TRAINING OFFICERS](#) [FEDERAL EMPLOYEES](#) [CONTACT US](#)

*Vanessa Craddock is a Federal Benefits Specialist and instructor with NITP. She previously spent more than twenty-five years in federal benefits administration, most of which was as a Federal Benefits Specialist with the U.S. Office of Personnel Management.*

:

site design & hosting by [DHWEB INC.](#)