

HR SHARED SERVICE CENTER

**VER OFFER LETTER**

August 22, 2008

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The Postal Service has received approval from the Office of Personnel Management (OPM) under its Voluntary Early Retirement Authority (VERA) to offer Voluntary Early Retirement (VER) to career employees who are VER eligible in the following crafts and positions: Clerk; Mail Handler; Supervisor, Customer Services; and Supervisor, Distribution Operations, nationwide. You are receiving the enclosed package because you appear to be VER eligible and have been identified as being in this group of employees.

In addition to the enclosed package, you should have also received an annuity estimate, which was mailed on August 18, 2008. The information in the annuity estimate along with the information provided in this package should be carefully reviewed before making your decision to elect to accept the VER offer.

To take advantage of this offer you must complete and return the following two forms included in the enclosed package:

1. Acknowledgment of Irrevocability of Voluntary Early Retirement Decision
2. Application for Immediate Retirement (attached SF 2801 for CSRS employees or SF 3107 for FERS employees).

These documents must be **received** at the Human Resources Shared Service Center (HRSSC) no later than 8:30 P.M. Eastern Time (ET) on Tuesday, September 30, 2008. If you elect to take advantage of this VER offer, and provided that the USPS accepts your voluntary election to retire, your retirement effective date will be Wednesday, December 31, 2008.

**NOTE:** Throughout the Postal Service, the number of voluntary early retirements that will be accepted for the December 31, 2008 VER effective date may be limited by management for purposes of minimizing any impact to the daily operations and running the business through effective complement. Should management need to limit retirements, Voluntary Early Retirement will be granted to the employees with the earliest retirement computation dates based on the number of allowable retirements.

Since the Postal Service will rely on your decision to retire in developing its complement management plans, your decision to retire will become **IRREVOCABLE** at 8:30 P.M. ET on Tuesday, September 30, 2008, the closing date of the VER window period. This means that you cannot withdraw your retirement application after 8:30 P.M. ET on Tuesday, September 30, 2008. You may withdraw your retirement application before this time and date by submitting written notification by letter or fax, signed, and dated to:

**HRSSC, VER Processing  
PO Box 970600  
Greensboro NC 27497-0600**

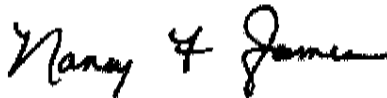
**Fax # 336-662-4545**

Once again, to withdraw your retirement application, your withdrawal request must be **received** before 8:30 P.M. ET on Tuesday, September 30, 2008.

After your Acknowledgement of Irrevocability and Application for Immediate Retirement is received at the HRSSC, you will be mailed a VER Retirement Kit containing additional forms required to complete the retirement process, as well as a Retirement, Thrift, RIF (RTR) Service History report showing your *creditable service*. Employees approved for the VER will be contacted by mail after September 30, 2008 to schedule retirement counseling. Employees *disapproved for the VER will also be notified by mail after September 30, 2008.*

Please review the annuity estimate and the other information provided in the VER offer package so you will be in a position to make an informed decision. Remember that in order to take advantage of the VER offer, your retirement application and acknowledgment of irrevocability must be **received** by the HRSSC **no later than 8:30 P.M. ET on Tuesday, September 30, 2008.**

For additional information on the current VER, log onto the U.S. Postal Service intranet from a postal computer (Blue) or from a home computer at [www.liteblue.usps.gov](http://www.liteblue.usps.gov). A VER link is provided on the homepages of *Blue* and *LiteBlue*.



**Nancy F. James  
Manager  
HR Shared Service Center**

Attachments

PO BOX 970600  
GREENSBORO NC 27497-0600  
FAX: 336-662-4545



August 18, 2008



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**SUBJECT: Voluntary Early Retirement (VER) Offer - Annuity Estimate**

The Postal Service has received approval from the Office of Personnel Management (OPM) under its Voluntary Early Retirement Authority to offer voluntary early retirement (VER) to career employees who are eligible in the following crafts and EAS positions: Clerk; Mail Handler; Supervisor, Customer Services; and Supervisor, Distribution Operations, nationwide.

This annuity estimate is being sent to you because you appear to be VER eligible and your position falls in one of the categories above. In approximately one week, you will receive a VER kit that will include an offer letter with further instructions relative to VER, retirement applications, and a list of questions and answers concerning VER. Please review the annuity estimate and the other information provided in the VER kit carefully. This information will assist you with making an informed decision.

If you are covered by the Civil Service Retirement System (CSRS) and under age 55, your annuity reflects a 2 percent reduction for each year (one sixth of one percent for each full month) under age 55. If you are covered by the Federal Employees Retirement System (FERS) with a CSRS frozen component and under age 55, only the CSRS portion of your annuity is reduced by 2 percent for each year under age 55 (one sixth of one percent for each full month). There is no reduction to the FERS component of the annuity.

For additional information on the current VER, log onto the U.S. Postal Service intranet from a postal computer (Blue) or from a home computer at [www.lifeblue.usps.gov](http://www.lifeblue.usps.gov). A VER link is provided on the homepages of *Blue* and *LiteBlue*.

A handwritten signature in black ink that reads "John R. Mularski".

John R. Mularski  
Manager  
Complement, Staffing and Field Policy

Enclosure

|  |             |        |      |                             |   |          |                   |
|--|-------------|--------|------|-----------------------------|---|----------|-------------------|
| <b>Creditable Service</b>  |             |        |      | Retirement Contributions    | 6,538.27 (incl. military deposit, if any) |          |                   |
| Retirement Eligibility Date  | 07/02/2008  |        |      | Annual Leave Earned Balance | 50-                                       |          |                   |
| Retirement Computation Date  | 02/18/1984  |        |      | Hours Forfeited             |   |          |                   |
| Date of Birth  | 09/03/1952  |        |      | Annual Leave Balance        | 50-                                       |          |                   |
|  |             |        |      | Terminal Leave Payment      | 1,227-                                    |          |                   |
|  | Years       | Months | Days | Insurance Coverage          | Deductions                                |          |                   |
| Total Actual Service<br>(Title to annuity is determined from this total)<br>Time Represented by Sick Leave | 24          | 10     | 13   | Life                        |   | Employee | Annuitant Monthly |
|  |             |        |      | Basic                       | 54,000                                    | None     | 116.37            |
|  |             |        |      | Option A                    |   |          |                   |
|  |             |        |      | Option B (5X)               | 260,000                                   | 72.80    | 157.82            |
|  |             |        |      | Option C                    |   |          |                   |
| Total Time   | 24          | 10     | 13   | Health                      | 104                                       | 37.97    | 134.65            |
| RSC: P   | Exceptions: |        |      |                             |   |          |                   |
| Grade/Step: 06/ O  |             |        |      |                             |   |          |                   |
| S/P:   |             |        |      |                             |   |          |                   |
| Salary: 51,049.00  |             |        |      |                             |   |          |                   |
| Retirement Type: Early Out   |             |        |      |                             |   |          |                   |

Annuity estimate based on retirement effective date of 01/01/2009

| Salary History |            |     |     |      |             | Gross / Gross<br>Annual / Monthly<br>Annuity / Annuity |  |
|----------------|------------|-----|-----|------|-------------|--|--|
| From           | To         | Yrs | Mns | Days | Annual Rate | Gross Pay  |  |
| 03/15/2008     | 01/01/2009 | 0   | 5   | 16   | 51,049      | 23,539   |  |
| 02/16/2008     | 03/15/2008 | 0   | 0   | 29   | 50,570      | 4,073  |  |
| 09/01/2007     | 02/16/2008 | 0   | 5   | 15   | 49,306      | 22,598   |  |
| 11/25/2006     | 09/01/2007 | 0   | 9   | 6    | 48,620      | 37,275   |  |
| 09/02/2006     | 11/25/2006 | 0   | 2   | 23   | 47,996      | 11,065   | With / 10,818 901                            |
| 03/18/2006     | 09/02/2006 | 0   | 5   | 14   | 47,184      | 21,494   | Without 12,020 1,001                         |
| 09/03/2005     | 03/18/2006 | 0   | 6   | 15   | 45,997      | 24,915   | Survivor                                     |
| 09/01/2005     | 09/03/2005 | 0   | 0   | 2    | 45,269      | 251  | Benefits                                     |
|                |            |     |     |      |             |  | Survivors (spouse) gross monthly annuity 500 |

Omits about \$1000/month  
 FERS annuity supplement,  
 although over MRA!!!

|                       |        |
|-----------------------|--------|
| High-3 Average Salary | 48,404 |
| Total                 | 3      |

1. Estimate based on retirement effective date shown, assuming Retirement Computation Date (RCD) is correct and you have at least 5 years civilian service in addition to any military service. Office of Personnel Management (OPM) will compute exact amount of annuity.
2. Estimate computed as if all required retirement contributions are in retirement fund. Necessary deposits for non-career service, redeposits for prior civilian service, and post-1956 military deposits not in the fund may affect estimate accuracy.
3. Retirement contributions reflect total withheld from salary during present USPS career appointment, and does not include contributions made at another agency, during a prior USPS appointment, deposits or redeposits, or voluntary contributions.
4. High-3 average salary reflects average of past three years basic salary. Does not include higher level (HL), leave without pay hours (LWOP), overtime, night differential, awards, etc. OPM will include HL and LWOP and compute on the consecutive 3 year period providing the highest average if other than this period.
5. OPM's annuity computation prorates part-time service. Estimate does not include proration, which may affect estimate accuracy.
6. Military service after 1956 requires deposit to the fund before service credit allowed.
7. Survivor annuity amount reflects full survivor annuity.
8. Health insurance premium reflects monthly rate for federal annuitant.
9. Terminal leave payment reflects earned annual leave balance or allowed maximum balance after forfeited hours. Earned balance as of pay period prior to date printout issued (date in upper right corner), not retirement effective date.
10. Premium costs for post-retirement life insurance coverage are for no reduction of insurance for each option, except Option A, and based on present age group as of estimated retirement date. Lower levels of insurance coverage will reduce premium costs.

11. Retirement benefits under FERS are from three sources: Basic Benefit (Annuity), Social Security (SSA), Thrift Savings Plan (TSP). Estimate provides annuity benefit only.

If this is a FERS disability estimate, first year annuity is 60% of high-3 average salary reduced by any Social Security (SS) benefits. Second year annuity is 40% of high-3 average salary reduced by 60% of any SS benefit. Estimate represents 40% computation prior to SS reduction. SS information and benefits must be obtained from the Social Security Administration.

If this is an MRA+10 reduced benefit estimate, estimate includes 5% reduction/year for each year under age 62.

Publications on the following are available from personnel offices:

|   |  |
|---|--|
| Federal Employees Retirement Systems (FERS)     | <a href="http://WWW.OPM.GOV/RETIRE/">WWW.OPM.GOV/RETIRE/</a>                             |
| Thrift Savings Plan (TSP)                       | <a href="http://WWW.TSP.GOV">WWW.TSP.GOV</a>   |
| Social Security Administration (SSA)            | <a href="http://WWW.SSA.GOV">WWW.SSA.GOV</a>   |
| Federal and state income taxes                  | <a href="http://WWW.IRS.USTREAS.GOV">WWW.IRS.USTREAS.GOV</a> for federal tax information |
| Federal Employees' Group Life Insurance (FEGLI) | <a href="http://WWW.OPM.GOV/INSURE/">WWW.OPM.GOV/INSURE/</a>                             |
| Federal Employees Health Benefit Program (FEHB) | <a href="http://WWW.OPM.GOV/INSURE/HEALTH/">WWW.OPM.GOV/INSURE/HEALTH/</a>               |



FERS includes a fourth source between MRA and age 62 -- the FERS Special Retirement Supplement.

**Section 40A2.1-3 One-Year Period Before Retirement (Cont.)****M. Voluntary  
Contributions  
(Cont.)**

NOTE 1: Chapter 31, Voluntary Contributions, contains detailed guidance regarding voluntary contributions. See Chapter 50, section 50C1.1-2, for an example of an employee who retires and elects additional annuity provided by voluntary contributions.

NOTE 2: Employees should read both the Voluntary Contributions Notice (Form RI 38-125) and the Special Tax Notice Regarding Rollovers (Form RI 37-22) for information on refunds, rollovers, taxes and voluntary contributions annuities. Interest on voluntary contributions that are refunded is eligible under "rollover" provisions of Public Law 102-318. (See section 40A4.1-3 paragraph C for a full explanation of the law.)

**N. Annuity  
Estimates**

When applicable, the agency is responsible for providing any of the following annuity estimates upon request. (See Employee Information Sheet #3, CSRS and FERS Annuity Estimates You May Need.)

1. For employees receiving military retired pay, annuity estimates with and without credit for the military service.
2. For employees considering a deposit for post-1956 military service, annuity estimates with and without the military service on or after January 1, 1957.
3. For employees considering making a CSRS deposit for civilian service performed before October 1, 1982, estimates of the amount of the deposit and the amount of the annuity with and without the reduction for unpaid deposit.
4. For employees considering making a CSRS deposit for civilian service performed on or after October 1, 1982, estimates of the amount of the deposit and the amount of annuity with and without the deposit service.
5. For employees considering making a CSRS redeposit for service ending before October 1, 1990, estimates of the amount of the redeposit and the amount of the annuity with and without the actuarial reduction for the unpaid redeposit.

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**Section 40A2.1-3 One-Year Period Before Retirement (Cont.)****N. Annuity  
Estimates (Cont.)**

6. For employees considering making a CSRS redeposit for service ending on or after October 1, 1990, estimates of the amount of the redeposit and the amount of annuity with and without credit for the refunded service.
7. For employees considering making a FERS deposit for civilian service performed before 1989, estimates are needed of the amount of deposit and the amount of the annuity with and without credit for the pre-1989 service.
8. For employees considering electing no survivor benefits for his or her spouse (or electing less than full survivor benefits or benefits for a former spouse), estimates of the amount of the survivor annuity and the amount of the retiree's annuity with and without the full survivor benefit.
9. For employees who are electing an insurable interest annuity, estimates of the annuity with and without the insurable interest election.
10. For employees who have made voluntary contributions and are eligible to elect additional annuity provided for by voluntary contributions, estimates with and without credit for the voluntary contributions.
11. For employees who are eligible to elect the alternative annuity (AFA) at retirement, estimates of the annuity with and without the lump-sum payment of retirement contributions. (See section 40A4.1-3 paragraph C.)
12. For FERS employees eligible to receive an annuity supplement, estimate the monthly amount payable to age 62.

**IMPORTANT:** While the agency is expected to provide a reasonable estimate of an individual's retirement benefits, it is OPM's responsibility to determine the actual amount of the annuity based on the laws and regulations in effect at time of retirement and on certified service history data.

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**Employee Information Sheet #3 (Cont.)**

**FERS Annuity Estimates You May Need --**

| <b>If You Are Considering:</b>  | <b>You May Want Estimates of:</b>  |
|---|--|
| Waiving military retired pay.   | Your annuity with and without credit for the military service.   |
| Combining the service credited to another Federal civilian retirement system and service credited to your FERS retirement.      | Your annuity with and without credit for the service under the other retirement system.  |
| Making a deposit for post-1956 military service.  | The amount of the post-1956 military service deposit. Your annuity with and without military service falling on or after 1-1-57. |
| Making a deposit for pre-1989 civilian service.   | The amount of the civilian service credit deposit. Your annuity with and without payment of the deposit.                         |
| Making a redeposit of any refund received before you became covered by FERS.  | The amount of the civilian service credit redeposit. Your annuity with and without payment of the redeposit.                     |
| Electing no survivor benefit for your spouse, or electing a partial survivor benefit.   | The annuity the survivor would receive. Your annuity with and without the full survivor benefit.                                 |
| Electing a survivor benefit for a person having an insurable interest.  | The annuity the survivor would receive. Your annuity with and without the insurable interest survivor benefit.                   |
| Choosing an "alternative annuity" at retirement.  | Your annuity with and without the "alternative annuity" lump sum payments of retirement contributions.                           |
| Eligible to receive an annuity supplement payable to FERS retirees who retire entitled to an immediate annuity prior to age 62. | Estimate the monthly amount payable to age 62.   |
| Postponing an "MRA + 10" retirement.  | Your annuity at time of separation. Your annuity with a lesser (or no) age reduction at a specified later date.                  |