

Here is an interesting summary of retirement benefits for members of the United States Congress.

Prior to 1984, neither federal civil service employees nor Members of Congress paid Social Security taxes, nor were they eligible for Social Security benefits. Members of Congress and other federal employees were instead covered by a separate pension plan called the Civil Service Retirement System (CSRS). The 1983 amendments to the Social Security Act (P.L. 98-21) required federal employees first hired after 1983 to participate in Social Security. These amendments also required all Members of Congress to participate in Social Security as of January 1, 1984, regardless of when they first entered Congress. Because CSRS was not designed to coordinate with Social Security, Congress directed the development of a new retirement plan for federal workers. The result was the Federal Employees' Retirement System Act of 1986 (P.L. 99-335). Members of Congress first elected in 1984 or later are covered automatically under the Federal Employees' Retirement System (FERS). All Senators and those Representatives serving as Members prior to September 30, 2003, may decline this coverage. Representatives entering office on or after September 30, 2003, cannot elect to be excluded from such coverage. Members who were already in Congress when Social Security coverage went into effect could either remain in CSRS or change their coverage to FERS. Members are now covered under one of four different retirement arrangements:

1. CSRS and Social Security;
2. The "CSRS Offset" plan, which includes both CSRS and Social Security, but with CSRS contributions and benefits reduced by Social Security contributions and benefits;
3. FERS; or
4. Social Security alone. Congressional pensions, like those of other federal employees, are financed through a combination of employee and employer contributions. All Members pay Social Security payroll taxes equal to 6.2% of the Social Security taxable wage base (\$128,400 in 2018). Members first covered by FERS prior to 2013 also pay 1.3% of full salary to the Civil Service Retirement and Disability Fund (CSRDF). Members of Congress first covered by FERS in 2013 contribute 3.1% of pay to the CSRDF. Members of Congress first covered by FERS after 2013 contribute 4.4% of pay to the CSRDF. Members covered by CSRS Offset pay 1.8% of the first \$128,400 of salary in 2018, and 8.0% of salary above this amount, into the CSRDF. Under both CSRS and FERS, Members of Congress are eligible for a pension at the age of 62 if they have completed at least five years of service. Members are eligible for a pension at age 50 if they have completed 20 years of service, or at any age after completing 25 years of service. The amount of the pension depends on years of service and the average of the highest three years of salary. By law, the starting amount of a Member's retirement annuity may not exceed 80% of his or her final salary. There were 611 retired Members of Congress receiving federal pensions based fully or in part on their congressional service as of October 1, 2016. Of this number, 335 had retired under CSRS and were receiving an average annual pension of \$74,028. A total of 276 Members had retired with service under FERS and were receiving an average annual pension of \$41,076 in 2016.

This piece comes from Katelin P. Isaacs, Specialist in Income Security.

<https://fas.org/sgp/crs/misc/RL30631.pdf>.

Can also be found at Cypen & Cypen Newsletter.

<http://www.cypen.com>