

With regard to the economic assumptions described under section 841.402 of title 5, Code of Federal Regulations, used in the actuarial valuations of FERS, the Board concluded that the long-term economic assumptions should remain unchanged from what was determined at the Board's meeting on April 2, 2020. The long-term economic assumptions continue to be a rate of investment return of 4.0 percent; assumed inflation rate of 2.40 percent; the assumed rate of FERS annuitant Cost of Living Adjustments should remain at 80 percent of the assumed rate of inflation; and the projected rate of General Schedule salary increases should remain at 2.65 percent. The general

salary increases are in addition to assumed merit salary increases. These assumptions are intended to reflect the long term expected future experience of the Systems.

The demographic assumptions are determined separately for each of a number of special groups, in cases where separate experience data is available. Based on the demographic and economic assumptions described above, OPM has determined the normal cost percentage for each category of employees under section 841.403 of title 5, Code of Federal Regulations.

Section 5001 of Public Law 112-96, The Middle Class Tax Relief and Jobs Creation Act of 2012, established provisions for FERS Revised Annuity

Employees (FERS-RAE). The law permanently increases the retirement contributions by 2.30 percent of pay for these employees. Subsequently, Section 401 of Public Law 113-67, the Bipartisan Budget Act of 2013, created another class of FERS coverage, FERS-Further Revised Annuity Employee (FERS-FRAE). Employees subject to FERS-FRAE must pay an increase of 1.30 percent of pay above the retirement contribution percentage set for FERS-RAE. Separate normal cost percentages apply for employees covered under FERS-RAE and for employees covered under FERS-FRAE.

The normal cost percentages for each category of employee, including the employee contributions, are as follows:

**NORMAL COST PERCENTAGES FOR FERS, FERS—REVISED ANNUITY EMPLOYEE (RAE), AND FERS—FURTHER REVISED ANNUITY (FRAE) GROUPS**

Group	FERS normal cost (percent)	FERS-RAE normal cost (percent)	FERS-FRAE normal cost (percent)
Members .....	26.3	19.6	19.9
Capitol Police covered under 5 U.S.C. 8412(d) and 5 U.S.C. 8425(c) .....	39.5	40.0	40.2
Other Congressional employees .....	27.0	19.6	19.9
Law enforcement officers, members of the Supreme Court Police, firefighters, nuclear materials couriers, customs and border protection officers, and employees under section 302 of the Central Intelligence Agency Retirement Act of 1964 for certain employees .....	39.5	40.0	40.2
Air traffic controllers .....	40.4	40.9	41.2
Military reserve technicians .....	21.4	21.8	22.1
Employees under section 303 of the Central Intelligence Agency Retirement Act of 1964 for certain employees (when serving abroad) .....	27.0	27.5	27.8
Other employees of the United States Postal Service .....	16.9	17.3	17.6
All other regular FERS employees .....	19.2	19.6	19.9

Under section 841.408 of title 5, Code of Federal Regulations, these normal cost percentages are effective at the beginning of the first pay period commencing on or after October 1, 2023.

The time limit and address for filing agency appeals under sections 841.409 through 841.412 of title 5, Code of Federal Regulations, are stated in the **DATES** and **ADDRESSES** sections of this notice.

Office of Personnel Management.

**Stephen Hickman,**

*Federal Register Liaison.*

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**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 retirees who elect to provide survivor annuity benefits to a spouse based on post-retirement marriage, and to retiring employees who elect the alternative form of annuity or 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, 2023.

**ADDRESSES:** Send requests for actuarial assumptions and data to the Board of Actuaries, care of Gregory Kissel, Senior Actuary, Office of Healthcare and Insurance, Office of Personnel Management, Room 4316, 1900 E Street NW, Washington, DC 20415, or by email to [actuary@opm.gov](mailto:actuary@opm.gov).

**FOR FURTHER INFORMATION CONTACT:** Karla Yeakle, (202) 606-0299.

**SUPPLEMENTARY INFORMATION:** Several provisions of the Federal Employees' Retirement System (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.

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).

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 section 11004 of the Omnibus Budget Reconciliation Act of 1993, Public Law 103–66, effective October 1, 1993, OPM ceased 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.

Subpart F of part 847 of title 5, Code of Federal Regulations, 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 section 1043 of Public Law 104–106. Subpart I of part 847 of title 5, Code of Federal Regulations, 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.

OPM published the present value factors currently in effect on March 29, 2021, at 86 FR 16398. On April 14, 2023, OPM published a notice to revise the normal cost percentage under the Federal Employees’ Retirement System (FERS) Act of 1986, Public Law 99–335, based on changed 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, 2023, to correspond with the changes in FERS normal cost percentages. For alternative forms of annuity, the new factors will apply to annuities that commence on or after October 1, 2023. See 5 CFR 842.706. For survivor election deposits, the new factors will apply to survivor reductions that commence on or after October 1, 2023. See 5 CFR 842.615(b). For obtaining credit for service with certain nonappropriated fund instrumentalities, 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, 2023. See 5 CFR 842.602, 842.616, 847.603, and § 847.809.

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	226.5
63	219.9
64	213.2
65	206.4
66	199.6
67	192.7
68	185.8
69	178.9
70	171.9
71	165.0
72	158.1
73	151.2
74	144.3
75	137.5
76	130.8
77	124.2
78	117.7
79	111.3
80	105.0
81	98.8
82	92.9
83	87.1
84	81.5
85	76.1
86	71.0
87	66.0
88	61.3
89	56.8
90	52.6
91	48.7
92	45.1
93	41.8
94	38.8
95	36.1
96	33.6
97	31.4
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	271.7
41	270.3
42	268.7
43	267.1
44	265.4
45	263.7
46	261.8
47	259.9
48	257.9
49	255.9
50	253.9
51	251.9
52	249.7
53	247.6
54	245.4
55	243.1
56	240.8
57	238.5
58	236.1
59	233.8
60	231.4
61	229.0

**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	355.7
41	350.7
42	345.7
43	340.5
44	335.3
45	329.9
46	324.4
47	318.7
48	313.0
49	307.3
50	301.5
51	295.7
52	289.7
53	283.7
54	277.6
55	271.4
56	265.2
57	258.9
58	252.6
59	246.1
60	239.7
61	233.1

**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 .....	443.3
18 .....	440.3
19 .....	437.2
20 .....	434.1
21 .....	431.0
22 .....	427.7
23 .....	424.4
24 .....	421.0
25 .....	417.6
26 .....	414.1
27 .....	410.5
28 .....	406.8
29 .....	403.0
30 .....	399.2
31 .....	395.2
32 .....	391.2
33 .....	387.1
34 .....	382.9
35 .....	378.6
36 .....	374.2
37 .....	369.7
38 .....	365.2
39 .....	360.5

Office of Personnel Management.

**Stephen Hickman,**

*Federal Register Liaison.*

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**OFFICE OF PERSONNEL MANAGEMENT**

**Civil Service 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 retirees under the Civil Service Retirement System (CSRS) who elect to provide survivor annuity benefits to a spouse based on post-retirement marriage; to retiring employees who elect the alternative form of annuity, owe certain redeposits based on refunds of contributions for service ending before March 1, 1991, or elect to credit certain service with nonappropriated fund instrumentalities; or, for individuals with certain types of retirement coverage errors who can elect to receive credit for service by taking an actuarial reduction under the provisions

of the Federal Erroneous Retirement Coverage Correction Act. 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:** *Applicable Date:* The revised present value factors apply to survivor reductions or employee annuities that commence on or after October 1, 2023.

**ADDRESSES:** Send requests for actuarial assumptions and data to the Board of Actuaries, care of Gregory Kissel, Senior Actuary, Office of Healthcare and Insurance, Office of Personnel Management, Room 4316, 1900 E Street NW, Washington, DC 20415, or by email to *actuary@opm.gov*.

**FOR FURTHER INFORMATION CONTACT:** Karla Yeakle, (202) 606–0299.

**SUPPLEMENTARY INFORMATION:** Several provisions of CSRS 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.

Section 831.2205(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. 8343a. 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 section 831.2205(a) of title 5, Code of Federal Regulations.

Section 831.303(c) of title 5, Code of Federal Regulations, prescribes the use of these factors for computing the reduction to complete payment of certain redeposits of refunded deductions based on periods of service that ended before March 1, 1991, under section 8334(d)(2) of title 5, United States Code; section 1902 of the National Defense Authorization Act for Fiscal Year 2010, Public Law 111–84.

Section 831.663 of Title 5, Code of Federal Regulations, prescribes the use of similar factors for computing the reduction required for certain elections to provide survivor annuity benefits based on a post-retirement marriage

under section 8339(j)(5)(C) or (k)(2) of title 5, United States Code. Under section 11004 of the Omnibus Budget Reconciliation Act of 1993, Public Law 103–66, effective October 1, 1993, OPM ceased 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.

Subpart F of part 847 of title 5, Code of Federal Regulations, prescribes the use of similar 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 section 1043 of Public Law 104–106. Subpart I of part 847 of title 5, Code of Federal Regulations, 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.

Sections 839.1114–1121 of title 5, Code of Federal Regulations, prescribes the use of these factors for computing the reduction required for certain service credit deposits, Government Thrift Savings Plan contributions, or for previous payment of the FERS Basic Employee Death Benefit in annuities subject to the Federal Erroneous Retirement Coverage Corrections Act (FERCCA) under the provisions of Public Law 106–265. Retirees and survivors who owe a larger deposit because of a retirement coverage error can choose to pay the additional deposit amount or their annuity will be actuarially reduced to account for the deposit amount that remains unpaid. Additionally, retirees and survivors of deceased employees who received Government contributions to their Thrift Savings Plan account after being corrected to FERS and who later elect CSRS Offset under FERCCA keep the Government contributions and associated earnings in their Thrift Savings Plan account. Instead of adjusting the Thrift Savings Plan account, FERCCA requires that the CSRS-Offset annuity be actuarially reduced. Also, survivors that received the FERS Basic Employee Death Benefit and elect CSRS Offset under FERCCA do not have to pay back the Basic Employee Death Benefit. Instead, OPM actuarially reduces the survivor annuity payable. These reductions under FERCCA allow the annuity to be actuarially reduced in a way that, on