

1030.5 Actual Computation

This section provides a detailed explanation of the steps involved in computing a divorced spouse annuity.

The divorced spouse annuity consists only of a tier I. Tier I is an amount computed under the social security benefit formula, using the employee's combined railroad and social security earnings. The tier I is reduced for entitlement to other benefits.

NOTE: If the divorced spouse is entitled to a retirement insurance benefit (RIB) or disability insurance benefit (DIB) on the divorced spouse's own earnings record, based on a Primary Insurance Amount (PIA) which is equal to or greater than one-half of the employee's tier 1 PIA, the divorced spouse is not eligible for an annuity.

1030.5.1 Gross Tier I

The divorced spouse's gross tier I is one-half (1/2) of the employee's gross tier I PIA (before any delayed retirement credits and any age reduction).

Exception: If, in a conversion case, the employee is not vested for an RIB/DIB VDB, his gross tier I cannot exceed his 12-1974 annuity rate (before any age reduction) plus any COLs. In such case, the divorced spouse's gross tier I benefit is one-half of the employee's 12-1974 annuity rate plus any COLs.

1030.5.2 Worker's Compensation/Public Disability Pension Reduction

A reduction for workman's Compensation (WC) or public disability benefits may be applied to the tier I of a divorced spouse annuity if the employee is receiving a disability annuity and is entitled to worker's compensation or a public disability benefit. The reduction is first applied to the spouse and/or divorced spouse tier I (in equal amounts if both are entitled), then to the employee annuity tier I. The WC reduction does not apply if the employee is receiving an age and service annuity, even if the employee has a disability freeze (DF).

See [FOM-I-1015.5E](#) for an explanation of when the offset applies and the formula for determining the amount of the offset.

1030.5.3 Reduction for Public Service Pension

The Social Security Fairness Act was signed into law on January 5, 2025. The law ended Public Service Pension (PSP) statutory Tier I reductions for divorced spouses who are receiving public pensions from work not covered by social security effective January 1, 2024. As a result, the RRB will no longer offset Tier I annuity payments for PSP beginning with benefits due January 1, 2024 (paid in February 2024). The PSP policies in this manual apply to Tier I annuity payments of divorced spouses before January 1, 2024.

The divorced spouse's tier I is subject to reduction for entitlement to a public service pension (PSP) based on the divorced spouse's own earnings payable to the divorced spouse. The reduction does not apply, however, if social security (FICA) taxes were deducted from her government earnings on the last day of her government employment.

A.	Beginning:	The reduction applies to:
	12-1-77	Divorced spouses married to the employee less than 20 years. The offset does not apply beginning 12-1-82 if dependency is established.
	12-1-82	Divorced wives married to the employee 20 years or more first eligible for a PSP 12-1-82 or later. If the divorced wife is dependent on the employee and first eligible for the PSP before 7-1-83, no offset will be applied.
	7-1-83	All divorced spouses first eligible for a PSP 7-1-83 or later.

- NOTES:
1. When the individual filed before December 1977 but the annuity beginning date is 12-1-77 or later, the application is deemed to be filed in December 1977. This covers applications filed in September through November for entitlement in December 1977. Since those applications are considered to be filed in December 1977, the PSP reduction may apply. If an application was filed in December 1977 or later for annuities that are retroactive before December, the PSP reduction applies to annuities payable for December 1977 on.
 2. A divorced spouse who would have been eligible for a PSP in November 1982 or June 1983 except for a requirement which delayed payment of the PSP until December 1982 or July 1983 is exempt from the reduction beginning in December 1984.

 For example, a Federal employee last worked on June 10, 1983. Although she was over 55 and had more than 30 years of service, her civil service annuity could not begin before July because she worked past the third of June. Her tier I is exempt from the PSP reduction beginning in December 1984.

B. The amount of the reduction is equal to:

- 100% of the PSP for months before December 1984 if the divorced spouse is first eligible for the PSP before 7-1-83; 66 2/3% of the PSP beginning in December 1984.
- 66 2/3% of the PSP if the divorced spouse is first eligible for the PSP 7-1-83 or later.

1030.5.4 Age Reduction

A divorced spouse's gross tier I is reduced for age if she is under FRA on her ABD. An age reduction applies to the divorced spouse even when the employee qualified for an unreduced 60/30 annuity.

A. Initial award or adjustment from ABD

1. Divorced spouses first awarded before August 12, 1983. The age reduction is equal to 1/144 of the gross tier I for each month the divorced spouse is under age 65 on her divorced spouse's ABD. If the divorced spouse previously received a spouse annuity, receipt of that benefit is not considered in determining the divorced spouse's age reduction.
2. Divorced spouses first awarded August 12, 1983, or later. The age reduction is equal to 1/144 of the gross tier I for each month up to 36 months plus 1/240 for each additional month beyond 36 that the divorced spouse is under FRA on her divorced spouse's ABD if:
 - a. The divorced spouse was not previously entitled to a spouse annuity; or
 - b. The divorced spouse was previously entitled to a spouse annuity that was not reduced for age. (This includes full or reduced 60/30 annuities.)

The annuity of a divorced spouse who was previously entitled to a reduced age spouse annuity is reduced using the same reduction factor that applied to the spouse annuity, even if there is a break in entitlement.

B. Rate increase after the ABD - Any increase in the gross tier I amount is reduced by the same factor which was used in the initial award.

1030.5.5 Reduction for Other Benefits

The divorced spouse's tier I is reduced by the following other benefits:

- A. Any SS benefit to which the divorced spouse is entitled. If the SS benefit is reduced because of entitlement to a public service pension, the reduction in tier I would be based on the amount of the SS benefit after offset for the public service pension.
- B. The full amount of the net tier I, tier II and vested dual benefit of any RR Act employee annuity payable to the divorced spouse.

1030.5.6 Net Tier I/Annuity Rate

The net tier I, or the annuity rate, is the last computed rate. The divorced spouse's entitlement is not considered in determining the SSA family maximum or the RRA maximum.

Note:

- No annuity is payable for the month of a divorced spouse's 62nd birthday unless she was born on the first or second day of the month. Also, if the divorced spouse is applying for a reduced age annuity, no annuity is payable for months prior to the month the application is filed.
- Under the 1988 SS Act amendments, a divorced spouse tier I benefit is not payable for any month in which the employee is deported on or after 11-10-88, due to associations with the Nazi government of Germany during World War II, and the divorced spouse is an alien who is not living in the U.S.

