

Group B – Early Retirement Life Annuity Formula

Early retirement benefits are reduced because you will be receiving benefits before your normal retirement date. The reduction is applied to the benefit you would otherwise receive at your normal retirement date. Here is the formula:

$$\begin{array}{ccccccc} \text{Final} & & \text{Years} & & \text{Normal} & & \text{Early} \\ \text{Average} & & \text{and} & & \text{Retirement} & & \text{Retirement} \\ \text{Monthly} & \times & \text{Months} & \times & \text{Life} & \times & \text{Life} \\ \text{Pay} & & \text{of} & \times & \text{Annuity} & & \text{Annuity} \\ & & \text{COAERS} & & & & \\ & & \text{Service} & & & & \\ & & \text{Credit} & & & & \end{array} \times 2.5\% = \text{Normal Retirement Life Annuity} \times \text{\% of Normal Benefit} = \text{Early Retirement Life Annuity}$$

The reduction for early retirement depends on your age in years and months at the time you retire. For example, if a Group B employee chooses early retirement at age 60, the percent of normal benefit is 62.07%. If the employee's final average monthly pay is \$4,000 and the employee has 15 years of COAERS service credit at retirement, the calculation of the member's early retirement monthly gross life annuity would be as follows:

$$\$4,000 \times 15 \times 0.025 = \$1,500 \times 0.6207 = \$931.05$$

See table below of reduction amounts for Group B early retirement. Early retirement is not applicable to Group A.

Early Retirement Reduction Table: Group B

Please note that “% of Normal Benefit” is a percentage of a life annuity.

Age at Retirement			Age at Retirement			Age at Retirement		
Years	Months	% of Normal Benefit	Years	Months	% of Normal Benefit	Years	Months	% of Normal Benefit
65	0	100.00%	61	7	72.00%	58	3	52.99%
64	11	99.22%	61	6	71.45%	58	2	52.58%
64	10	98.44%	61	5	70.89%	58	1	52.18%
64	9	97.66%	61	4	70.33%	58	0	51.77%
64	8	96.88%	61	3	69.77%	57	11	51.40%
64	7	96.10%	61	2	69.21%	57	10	51.03%
64	6	95.32%	61	1	68.65%	57	9	50.67%
64	5	94.53%	61	0	68.09%	57	8	50.30%
64	4	93.75%	60	11	67.59%	57	7	49.93%
64	3	92.97%	60	10	67.09%	57	6	49.56%
64	2	92.19%	60	9	66.59%	57	5	49.19%
64	1	91.41%	60	8	66.08%	57	4	48.82%
64	0	90.63%	60	7	65.58%	57	3	48.46%
63	11	89.93%	60	6	65.08%	57	2	48.09%
63	10	89.24%	60	5	64.58%	57	1	47.72%
63	9	88.54%	60	4	64.08%	57	0	47.35%
63	8	87.84%	60	3	63.58%	56	11	47.02%
63	7	87.15%	60	2	63.07%	56	10	46.68%
63	6	86.45%	60	1	62.57%	56	9	46.35%
63	5	85.75%	60	0	62.07%	56	8	46.02%
63	4	85.06%	59	11	61.62%	56	7	45.68%
63	3	84.36%	59	10	61.17%	56	6	45.35%
63	2	83.66%	59	9	60.72%	56	5	45.02%
63	1	82.97%	59	8	60.26%	56	4	44.68%
63	0	82.27%	59	7	59.81%	56	3	44.35%
62	11	81.65%	59	6	59.36%	56	2	44.02%
62	10	81.03%	59	5	58.91%	56	1	43.68%
62	9	80.40%	59	4	58.46%	56	0	43.35%
62	8	79.78%	59	3	58.01%	55	11	43.05%
62	7	79.16%	59	2	57.55%	55	10	42.75%
62	6	78.54%	59	1	57.10%	55	9	42.44%
62	5	77.91%	59	0	56.65%	55	8	42.14%
62	4	77.29%	58	11	56.24%	55	7	41.84%
62	3	76.67%	58	10	55.84%	55	6	41.54%
62	2	76.05%	58	9	55.43%	55	5	41.23%
62	1	75.42%	58	8	55.02%	55	4	40.93%
62	0	74.80%	58	7	54.62%	55	3	40.63%
61	11	74.24%	58	6	54.21%	55	2	40.33%
61	10	73.68%	58	5	53.80%	55	1	40.02%
61	9	73.12%	58	4	53.40%	55	0	39.72%
61	8	72.56%						