

AAFES Retirement Plan

**for Eligible Civilian
Employees of the
Army & Air Force
Exchange Service**

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The information contained in this booklet explains and illustrates your Retirement Plan.

The terms and conditions of the Plan are set forth in the full text of the Plan.

If there is any conflict between this summary and Plan document, the terms and conditions of the full text will govern.

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To All Regular Full-Time Employees

The original Retirement Plan was adopted effective June 1, 1946. Extensive improvements were made in the Plan effective on June 1, 1957; July 1, 1959; January 1, 1967; July 1, 1969; October 20, 1969; July 1, 1973, October 1, 1974, January 1, 1975, June 28, 1975, and October 1, 1978.

Changes to the Plan since 1978 are as follows:

- Effective April 28, 2003, the plan was amended to include the portability provisions between Non-appropriated Fund (NAF) to NAF agencies for reasons other than a transfer-of-function, as required under DoD personnel policy 1401.1-M. Additionally, the plan was amended to include the portability provisions between Appropriated Fund (APF) and Nonappropriated agencies as specified in Public Law 104-106, Section 1043, and Public Law 107-107, Section 1131, which modify the rules specified in Public Law 101-508, Section 7202, Portability of Benefits for Nonappropriated Fund Employees Act of 1990 and Deputy Assistant Secretary of Defense Memorandum of April 16, 1991, promulgating Appendix F, DOD 1401.1-M, Personnel Policy Manual for Nonappropriated Fund Instrumentalities.

- Effective January 1, 2000 the plan was updated to eliminate the spousal remarriage rule. The remarriage rule required that annuity payments cease upon the remarriage of a widow/widower, who is receiving a survivor annuity, if such remarriage occurs before age 60.
- Effective July 1, 2000 the plan was amended to provide for assignments under a Qualified Domestic Relations Order (QDRO).
- Effective March 15, 2003 revised the plan definition of compensation to include lump-sum merit increases in the definition of High-3 compensation for retirement purposes as a result of the AAFES Market-Based Pay Program.
- Effective January 1, 2004, changes the **period that rehired associates have to purchase prior creditable service for retirement purposes** to “within five years of reemployment to full-time employment status.”

The information contained in this booklet explains and illustrates your Retirement Plan. The terms and conditions of the Plan are set forth in the full text of the Plan. If there is any conflict between this summary and Plan document, the terms and conditions of the full text will govern.

Summary Plan Description

About This Booklet

Your Retirement Plan provides substantial benefits in the event of your retirement, death or disability. These benefits have a potential value far in excess of the value of your own contributions to the plan. To learn how you qualify for these benefits and how much you can expect to receive, you should read this booklet. We also suggest you share this booklet with your family members.

The booklet is a summary of the provisions of the Retirement Plan in effect as of January 1, 2004. The summary is not meant to interpret, extend or change the actual legal provisions of the Plan, but only to provide a guide for your convenience. The provisions of the legal documents of the Retirement Plan will control in all cases.

How You Participate in the Plan

All regular full-time civilian AAFES employees assigned to AAFES exchanges in the United States and those regular full-time civilian AAFES employees assigned to AAFES exchanges overseas who are U.S. citizens, non U.S. citizen nations, or permanent

residents of the U.S. and paid through the U.S. dollar payroll system are eligible to participate through the U.S. dollar payroll system are eligible to participate and required to do so. All employees who were eligible on January 1, 1967 became participants on that date; all later eligible employees became participants immediately upon employment.

Currently you pay a total of 8.45% of your basic annual pay, through payroll deduction, toward the cost of your participation in the Retirement Plan, Social Security, and Medicare. The larger part of this payment goes to Social Security. For example: In 2003, 6.2% of the first \$87,000 of your pay goes to Social Security (FICA), 1.45% goes to Medicare, and only 0.8% goes to the Retirement Plan. After your annual pay reaches the maximum Social Security wage base, your total payroll deductions stay the same, but are comprised of 1.45% to Medicare and 7% to retirement. Almost all of the cost of the Retirement Plan is borne by AAFES.

If you change from regular full-time to part-time status, you will be ineligible to continue participation. A refund of your contributions will be made to you, unless you are vested and choose to leave your funds on deposit, which will entitle you to an annuity whenever you become eligible.

What Determines the Amount of Your Pension

The amount of your pension is determined by a formula that takes into account three things:

Your High-3 Average Compensation

This is your highest average rate of basic annual pay during any 36 consecutive months for which you made contributions to the plan. Your rate of annual pay for this purpose excludes bonuses, overtime pay, and other forms of pay in excess of your basic pay, but includes vacation leave payments (up to the maximum accrual allowable for retirement purposes); and effective as of March 15, 2003 for “red-circled” associates under the Market-Based Pay system, any lump-sum merit payments received during the last 36 months of employment.

Credited Service

In general, this is the number of years you contributed to the plan, plus any period as an eligible employee that you were not required or permitted to make contributions to the plan because you had not yet met the eligibility requirements, or because the plan had not yet begun. This is called your “Credited Civilian Service.” In addition, certain other periods will be counted as follows:

1. Up to 5 years of Creditable Military Service (see [Explanation of Terms](#)).
2. The unused sick leave you have at the date your employment ends.
3. Creditable Prior Nonappropriated Fund Instrumentality (NAFI) Service and Creditable Prior Bookstore Service (see [Explanation of Terms](#)).
4. Creditable Army & Air Force Motion Picture Service (AAFMPs) (see [Explanation of Terms](#)).
5. Any period spent in an internment camp between December 1, 1941 and December 31, 1946 as a Japanese-American after reaching age 18.

There will be no duplicate credit for a single period of service.

Your Social Security Benefit

In general, this is the annual amount you can receive at age 62, your normal retirement age.

If you retire before age 62, the amount is figured as if you were age 62 at the time of retirement. If your employment ends before you reach retirement age, the amount is figured as the amount payable at age 62 if you continue working at the same pay until then and with no change in the Social Security law.

If you retire after age 62, the amount is figured at your actual retirement date. However, if you retire later than your 65th birthday, the amount is figured at age 65.

The Social Security Benefit used in determining your pension does not take into account any amount that your spouse or other dependents may receive from Social Security. Your Social Security Benefit is used in determining your pension regardless of whether you actually receive the benefit. However, if you do receive a Social Security Benefit and the amount (figured as an age 62 benefit) is smaller than the amount used in your pension calculation, you should ask AAFES to refigure your pension. The adjustment applies to the first payment after you attain age 62 or on the first of the month after you provide the actual award to HQ AAFES Benefits, if not provided when first eligible.

How the Formula Works if You Retire at Normal Retirement at Age 62

For each year of your Credited Civilian Service, you receive pension credit equal to a percentage of your High-3 Average Compensation; this is reduced by a percentage of your Social Security Benefit. This amount is paid to you as a lifetime income starting at your Normal Retirement at age 62.

1½% of your High-3 Average Compensation for each of the first 5 years of Credited Service,

Plus

1¾% of your High-3 Average Compensation for each of the next 5 years of Credited Service,

Plus

2% of your High-3 Average Compensation for each remaining year of your Credited Service,

But No More Than

80% of your High-3 Average Compensation

Less

2½% of your age 62 annual Social Security Benefit for each year of your Credited Service (maximum 40 years).

A Special Reduction may apply if you have Creditable Prior Bookstore Service or Creditable Prior NAFI Service or if you receive Workers' Compensation. See the [Explanation of Terms](#) under Creditable Prior Bookstore Service, Creditable Prior NAFI Service and Workers' Compensation, [page 45](#) for details.

Example of Formula: Normal Retirement, Age 62

Credited Service:	30 years
High-3 Average Compensation	\$10,000
Annual Social Security Benefit at Age 62	\$ 4,300*

1½% X \$10,000 X 5 years	\$ 750
1¾% X \$10,000 X 5 years	\$ 875
2% X \$10,000 X 20 years	\$ 4,000

Annual Pension Benefit Before Offset	\$ 5,625
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(Note that this does not exceed 80% of the High-3 Average Compensation)

Social Security Offset
2½% X \$4,300 X 30 years \$ 3,225*

Annual Pension Benefit After Offset \$ 2,400

TOTAL INCOME AT AGE 62:

AAFES Pension	\$ 2,400
Social Security	<u>\$ 4,300</u>
TOTAL	\$ 6,700

* Example only for purposes of illustration.

Estimating Your Own Income at Normal Retirement

1. Take 1½% of your estimated High-3 Average Compensation and multiply the result by 5 years of Credited Service.
2. Take 1¾% of your estimated High-3 Average Compensation and multiply the result by your Credited Service in excess of 5 years (limit 5 years).
3. Take 2% of your estimated High-3 Average Compensation and multiply the result by your Credited Service in excess of 10 years.

4. Combine 1, 2, and 3 above. The result should be no more than 80% of your estimated High-3 Average Compensation.
5. Subtract 2½% of your estimated annual Social Security Benefit at age 62 multiplied by the number of years of your Credited Service up to 40 years.

This is the estimated amount of your AAFES pension payable for your lifetime if you retire at age 62. To this amount, you will want to add your estimated annual Social Security Benefit to determine your total retirement income. Any income your spouse or other dependents might receive from Social Security would be in addition to this amount. Also, you can estimate your AAFES pension by using the Retirement Calculator in Self Service on the AAFES Intranet site at <http://home.aafes.com>.

Minimum Pension

Regardless of the form in which you receive your pension, the total paid to you, your spouse, or other beneficiaries will never be less than the total of your own contributions with interest to the date your pension begins, or the date of your death, if earlier.

A Word About Social Security

As in many pension plans, our pension plan formula takes into account the amount of income you can receive from Social Security. This is because AAFES contributes to both your pension plan as well as Social Security and Medicare throughout your career. Your AAFES pension does not reduce in any way the benefits you can receive from Social Security.

In addition to your own Social Security Benefit, which is called a “primary” benefit, your spouse, when he/she becomes eligible, may receive half the amount you are receiving, based your earning record. Social Security also pays substantial income benefits in the event of your death or permanent and total disability.

You and AAFES fund Social Security benefits through equal contributions. For 2003, you pay 7.65% of your earnings (up to the maximum wage base of \$87,000) to Social Security and AAFES contributes another 7.65%.

To receive help in estimating the Social Security Benefit that will be taken into account in determining your AAFES pension, you should contact your nearest Social Security office or go online to Social Security web site at www.ssa.gov. If you are age 62 or older, request them to compute the benefit that will be payable to you at your attained age. If you retire

early, AAFES will estimate your Social Security offset based on the assumption that you were age 62 when you retire.

Your local Social Security office or the Social Security web site at www.ssa.gov can also provide you with other information about Social Security benefits, as well as Medicare.

Cost-of-Living Adjustments (COLAs)

From time-to-time, cost-of-living adjustments will be made in your pension (or your survivor's pension).

These adjustments are tied to the COLA provisions of the Civil Service Retirement Act, as amended. If you receive both a Permanent Annuity and a Temporary Annuity (see [pages 49 and 50](#)), COLAs will apply to each separately.

Please note: COLAs apply only to pension amounts you are currently receiving. So, if you have a vested pension (see [page 21](#)) that has not begun yet, the only COLAs that will apply are those that become effective after the date you started receiving your pension.

When You Can Retire and Receive Benefits

You can retire on any of the following dates and receive plan benefits. If you retire on the first day of the month, your annuity starts as of that date. If you retire on any other date, your annuity starts as of the first day of the next month.

Five years of Credited Civilian Service is the **minimum** you must have in order to receive benefits based on more than your own contributions. If, at the date of your termination, your employment is terminated for cause, benefits will be limited to those described in the section entitled, "What Happens if Your Employment Ends Before You Qualify for Retirement" (see [paragraph 3 on page 19](#)); neither Deferred Retirement, Normal Retirement, Voluntary Early Retirement, Involuntary Early Retirement nor Option Early Retirement Benefits will apply. Also, if you retire before age 62 and you are disabled at the time, you will receive a disability benefit instead of an early retirement pension with the exception of retiring under the Voluntary Early provision as described below ([page 15](#)).

Normal Retirement: This is the day of the month that coincides with your 62nd birthday, or if later, your completion of 5 years of Credited Civilian Service. The benefit payable is the full amount determined under the plan formula. There is no mandatory retirement date for AAFES employees, so you may work beyond your Normal Retirement Date if you wish.

Deferred Retirement: This can be the first day of any month after your Normal Retirement Date. There is no mandatory retirement age. If you continue to work after reaching your Normal Retirement Date, you will continue to make contributions and to earn credit under the plan, subject to the plan maximum. When you retire, your benefit will take into account your earnings and service up to your actual retirement date. However, the Social Security Benefit used in determining your pension will be no greater than the amount you could have received at age 65.

Voluntary Early Retirement: This can be the first day of any month when you have either:

- Reached age 55 and completed 30 years of Credited Civilian Service, or
- Reached age 60 and completed 20 years of Credited Civilian Service.

The benefit is the full amount determined under the formula without any reduction for age of Social Security benefits before age 62. After you reach age 62, your benefit is reduced by the Social Security offset in the plan formula. The portion of your pension that ends at age 62 because of the Social Security offset is called your “Temporary Annuity,” while the portion that you receive after age 62 is called your “Permanent Annuity.”

If you take Voluntary Early Retirement and are disabled for Social Security disability benefit purposes at the time you retire, the Social Security offset will be applied as soon as Social Security benefits become payable.

Optional Early Retirement: This may be the first day of any month when you have both reached age 52 and completed 5 years of Credited Civilian Service. Retirement under this provision can **only** be made with the approval of AAFES. The benefit is determined in the same way as for Voluntary Early Retirement, except a lifetime reduction in your benefit applies if you choose to start receiving your pension before age 62. This reduction is at the rate of 4% per year between the date your pension starts and the first of the month concurrent with or prior to age 62. For example: If your pension begins at age 52, the reduction is 40%.

To see how this works, look at the following example:

Your Pension Determined Under Formula

(Before Offset)	\$6,000
Social Security Offset	<u>\$3,000*</u>
Your Pension Payable Starting at Age 62 (After Offset)	\$3,000

If Your Pension Starts at Age 52:

a. Amount Payable from Age 52 to 62	\$6,000
Your Pension Determined Under Formula Less 40% Reduction for Early Start	<u>\$2,400</u>

Your Pension Payable at Age 52 \$3,600

b. Amount Payable from Age 62 for Life	
Amount Payable from Age 52 to 62	\$3,600
Less Social Security Offset	<u>\$3,000*</u>

Your Pension Payable at Age 62 \$ 600

*Example only for purposes of illustration.

The amount payable only to age 62 (\$3,600) is composed of two amounts, your "Temporary Annuity" (\$3,000), and the amount payable on a permanent basis (\$600), your "Permanent Annuity."

Involuntary Early Retirement: This occurs when your employment ends involuntarily through no fault of your own (see “Involuntary Termination of Employment” in the [Explanation of Terms, page 47](#)), and you have either:

- Completed 25 or more years of Credited Civilian Service with no age requirement, or
- Reached age 50 and completed 20 or more years of Credited Service.

You will not be eligible for Involuntary Early Retirement if you are disabled and eligible for disability retirement instead.

The benefit is determined in the same way as for Voluntary Early Retirement, except a lifetime reduction applies if you start receiving your pension before age 55. The reduction before age 55 is at the rate of 2% per year between the date of your retirement and age 55. For example: If your pension begins at age 45, the reduction is 20%. Also, you can estimate your AAFES Voluntary/Optional/Involuntary Early Retirement pension by using the Retirement Calculator in Self Service on the AAFES Intranet site at <http://home.aafes.com>.

What Happens if Your Employment Ends Before You Qualify for Retirement

If your employment ends—

1. **Before you complete 3 years of Credited Civilian Service**, your contributions are refunded to you without interest.
2. **After 3 or more years of Credited Civilian Service**, but before you become vested, you can request the return of your contributions with interest, which is figured at the rate set forth in the plan (currently 3%). If you prefer, however, you can leave your money in the plan and receive a pension at retirement based only on the amount of your contributions. You can have this pension begin when you reach age 62, or you can choose to have it start in a reduced amount on the first day of any month between ages 52 and 62.
3. **After you have at least 5 years of Credited Civilian Service**, you are “vested.” This means you have a permanent right to receive a pension based on both your contributions and those AAFES makes to the plan. This right cannot be taken away from you.

You can have your Terminated Vested Pension begin on the first of the month after you reach age 62, or you can have it start in a reduced amount on the first day of any month between ages 52 and 62.

The amount of your Terminated Vested Pension is determined in the same manner as a regular retirement pension except for these differences:

- a. Only your Credited Civilian Service is counted, not any Creditable Military Service or time spent as a Japanese-American internee, or unused sick leave credit.
- b. The Social Security offset will be determined under the provisions of the Social Security Act in effect when your employment ends, but on the assumption that you continued in employment at your present rate of compensation until age 62.

Example of Your Terminated Vested Pension if You Terminate Employment at Age 35

Your Pension Determined Under the Formula	\$2,000
Social Security Offset at Age 62	\$1,800*

If Your Pension Begins at Age 52

If you start receiving your pension on the first of the month following the attainment of age 52, a reduction of 40% will apply. You will receive \$1,200 annually until age 62 at which time the Social Security offset will reduce your pension to zero.

If Your Pension Begins at Age 62

If you start receiving your pension at age 62, you can receive \$200 annually for life (\$2,000 less the \$1,800 Social Security Benefit).

*Example only for purposes of illustration.

Your Terminated Vested Pension will certainly be smaller than if you had continued to work until retirement, because it will be based on fewer years of plan participation, and on earnings at the date your employment ends rather than on earnings at retirement. Note, too, that COLAs do not apply to your pension until you actually start receiving it, so no adjustment for inflation will be made to your vested pension between the date your employment ends and the date you reach retirement age.

You will normally receive your pension in the form of a lifetime income for just yourself. However, you may choose at any time before the start of your pension, to provide for "Contingent Annuity" (see [Explanation of Terms, page 43](#)).

Instead of receiving a pension at retirement, you may choose at the time your employment ends, or any time thereafter, to receive return of only your own contributions with interest. Remember, though, that if you do this, you give up the value of the pension that comes from AAFES contributions.

If you die after your employment with AAFES ends, but before you have begun to receive your Terminated Vested Pension, your own contributions with interest will be returned to your beneficiary. This is true even if you have named a Contingent Annuitant.

Reemployment

If your employment ends and you are later reemployed in an eligible category, you will again be covered under the AAFES Retirement Plan as soon as you are reemployed.

You are not eligible for reemployment after retirement under the plan, or after you have begun to receive a Terminated Vested Pension, except as an intermittent casual or on-call employee.

You will receive full credit upon reemployment as a regular full-time employee for all previous Credited Civilian Service, provided you withdrew your previous contributions. Effective January 1, 2004, you must redeposit the amount you withdrew, plus interest,

within five years of your reemployment to full-time employment status. If you die before repayment is made, your widow or widower may make the repayment in a single sum. Military service during the period you were on military leave without pay will count to the extent described under Credited Civilian Service in the [Explanation of Terms, page 46](#).

Special Disability Benefit

You can receive a disability benefit if you become Totally and Permanently Disabled (see [Explanation of Terms, page 50](#)) while you are an actively employed participant in the plan, and you have at least 5 years of Credited Civilian Service on the date you become disabled.

Disability benefits apply only to disabilities beginning before age 62. If you become disabled after that date, your retirement will be a Normal Retirement.

Before your disability benefit will be approved, you must have used up all your sick leave. When approved, your disability benefit will be retroactive to the first of the month after you are no longer in a pay status.

The amount of your disability benefit will be the greater of:

- The benefit determined under the formula without reduction for age, or
- The lesser of the following two amounts:
 - 40% of your High-3 Average Compensation.
 - The benefit determined under the formula, but with your Credited Civilian Service increased by the number of years between the date your employment ended because of disability and age 60.

Example of a Disability Benefit

Age When Your Disability Occurs	50
Credited Service at Date of Disability:	25 years
High-3 Average Compensation	\$10,000
Annual Social Security Disability Benefit	\$3,600*

The disability benefit is determined as follows:

1. Regular formula without age reduction:

1½% of \$10,000 X 5	=	\$750
1¾% of \$10,000 X 5	=	\$875
2% of \$10,000 X 15	=	<u>\$3,000</u>
Total		\$4,625

2. The lesser of:

a. 40% of \$10,000 = \$4,000

b. Regular formula using credited service projected to age 60 (35 years)

1½% X \$10,000 X 5 years	=	\$ 750
1¾% X \$10,000 X 5 years	=	\$ 875
2% X \$10,000 X 25 years	=	<u>\$5,000</u>
Total		\$6,625

In this case, your disability benefit is \$4,625. Since you are eligible for a disability benefit from Social Security of \$3,600, your AAFES benefit is reduced to \$1,025.

*Example only for purposes of illustration.

Your disability benefit will be reduced dollar-for-dollar by any income you receive from Social Security, excluding dependents' benefits. In the event this results in a reduction of your AAFES disability benefits to zero, you will not receive an AAFES pension until you reach Normal Retirement, unless your Social Security benefits stop. At that time, you will receive a Normal Retirement benefit under the provisions of the AAFES Retirement Plan in effect when you became disabled, adjusted by any COLAs that have since become effective.

This offset for Social Security disability benefits will not begin unless and until Social Security benefits have been awarded to you. If benefits are retroactive, you must repay the excess payments you received from AAFES.

If you are eligible for Workers' Compensation, the amount of your disability benefit will be limited to 90% of your High-3 Average Compensation minus the sum of any disability benefits for which you are eligible under the Social Security Act of the Longshoremen's and Harbor Workers' Compensation Act.

If your disability benefit from Social Security or Workers' Compensation stops, the adjustment to your AAFES disability benefit will also stop. No account will be taken of increases in your income resulting from amendments to these acts that became effective after your AAFES disability benefit begins. If you are initially denied a Social Security disability benefit and then later receive it retroactively, the reduction in your AAFES disability benefit will be retroactive.

When you reach age 62, your disability benefit will be recomputed as a Normal Retirement pension under the provisions of the Retirement Plan that were in effect when you became disabled. For special rules that apply if you recover from your disability before age 62, see Totally and Permanently Disabled in the [Explanation of Terms, page 50](#).

If, at some time before you reach age 60, AAFES determines you are no longer Totally and Permanently Disabled, your benefit will stop. You must apply for reemployment with AAFES. If there is no reemployment available to you, you can apply for an Involuntary Early Retirement pension if you fulfilled the requirements for that type of retirement at the time you became disabled.

There are exceptions to the reemployment rule: If you met the age and Credited Civilian Service requirement for Optional Early Retirement at the time you became disabled, you may request and will be granted conversion to that retirement category without first applying for reemployment. The period you were on disability is not counted in determining your retirement benefit.

While you are receiving a disability benefit, you have a Spouse's Benefit coverage, unless you choose not to provide an annuity for your surviving spouse. See the explanation of Spouse's Benefit (below) and Special Rules for Disability Benefits ([page 35](#)).

Benefits Payable Upon Your Death

Pensions for Survivors if You Die After Retirement

Spouse's Benefit

If you are married at the date of your retirement, your pension will be reduced automatically by 10% in order to provide an income for your spouse in the event he or she lives longer than you do. Your pension will be restored to the full amount as of the first of the month following your divorce, annulment, or your spouse's death. If you should remarry, payment is made to the new spouse only if you were married at least 12

months before the date of your death, or if you are the parent of a child born of the current marriage. You may elect not to have reduction apply, in which case no income will be payable to your spouse from the Retirement Plan upon your death. You may elect to have the reduction apply to only part of your benefit (except in the case of disability retirement, which must be 100% of the base), in which case the benefit for your spouse will be reduced.

Your spouse's benefit is payable starting the first of the month following the date of your death (or if you die on the first of the month, that date) and continuing for the remainder of your spouse's life.

The amount of the spouse's benefit is 55% of your pension under the formula (or 55% of the portion of your pension to which you elected to apply the spouse's benefit, if you choose the base to be less than 100% of your pension).

Example of a Survivor's Annuity

If You Retire at Age 61, and Your Spouse is Age 56:

Your Pension Determined Under the Formula Before Offset (which is basis for your spouse's annuity prior to your attaining age 62)	\$5,000
Minus Social Security Offset at Age 62 (Temporary Annuity)	\$3,200*
Your Permanent Lifetime Annuity (which is the basis for your spouse's annuity after you attain age 62)	\$1,800
10% Reduction to Provide for Spouse's Annuity	\$ 180
Your Permanent Net Annual Annuity	\$1,620

The amount used in determining your spouse's annuity is \$1,800 if you die after attaining age 62. The spouse receives 55% of \$1,800, or \$990 annually (subject to cost-of-living adjustments).

Should you die before attaining age 62, your spouse will receive 55% of \$5,000 (your permanent lifetime annuity of \$1,800 plus \$3,200 temporary annuity) until he/she attains age 60, and then \$990 annually for the remainder of his/her lifetime.

*Example only for purposes of illustration.

If you take Voluntary Early Retirement and are also disabled for Social Security disability income purposes at the time you retire, and if you are still eligible for the Social Security Benefit at the time of your death (should it occur before you are age 62), your spouse's benefit will be immediately reduced by 55% of the Social Security offset which is applied to your pension. However, this is true only if your spouse is eligible for immediate payment of a widow's or widower's Social Security Benefit. Otherwise, because of the Social Security offset the reduction will be delayed and applied when your spouse becomes eligible at age 60.

Whenever Workers' Compensation is payable, there is a limit on the spouse's benefit. (See Workers' Compensation in the [Explanation of Terms, page 52](#)).

Benefit for Child or Other Named Survivor

If you are unmarried at retirement and, in the event of your death, want to provide income to a child or other person to whom you have an obligation, you can voluntarily choose to have your pension reduced to provide such income. The reduction will be 10% of your pension, plus 5% for each full 5 years by which you are older than your named survivor, but not more than 40% of your pension.

The benefit is payable starting the first of the month following the date of your death (or if you die on the

first of the month, that date) and continues for the remainder of your named survivor's life.

Example of a Child's Annuity

You Retire at Age 62:

Your Pension Determined Under the Formula Before Offset	\$5,000
Social Security Offset	\$3,000*
Your Pension Payable at Age 62	\$2,000
Child's Age	16
Reduction in Your Annuity	40%
10% + (9 X 5%)	55%
but maximum reduction = 40% of \$2,000	\$800
Your Pension	\$1,200
Child's Annuity After Your Death (\$1,200 X 55%)	\$ 660

* Example only for purposes of illustration.

You can choose more than one child to receive equal shares of income after your death, in which case the reduction for the age difference between you and the children will be based on the average age of the children. When a named survivor dies, you may either assign the remaining named survivor(s) that percentage of the annuity which would have been paid to the deceased's named survivor (with no restoration of the reduction in your annuity), or make no changes to the

initially established percentage allocations of the annuity which will be paid to the living named survivor(s) when you die.

If a named survivor dies before you die, the amount of the reduction will be restored on the first of the month following the death of the named survivor.

Another Example of a Child's Annuity

You Retire at Age 60:

Your Pension Determined Under the Formula Before Offset	\$5,000
Social Security Offset at Age 62	\$3,000*
Your Pension Payable at Age 62	\$2,000

In this case you receive a Temporary Annuity of \$3,000 payable until age 62. This Temporary Annuity is not affected by your election of a survivor's annuity for a child.

The 40% reduction, as computed in the previous example, applies only to your Permanent Annuity of \$2,000. Therefore, you receive a Permanent Annuity of \$1,200 for life, plus a Temporary Annuity of \$3,000 until age 62. The named survivor's annuity will be limited to \$660 annually.

* Example only for purposes of illustration.

Benefit if You Marry or Remarry After Retirement

If you marry or remarry after retirement, you can voluntarily elect, within one year of your marriage, to have a reduction in your pension. This is to provide your new spouse with future income from the plan if he or she lives longer than you do. If you were married at the time of retirement, you can do this for a subsequent spouse only in the same percentage that you elected for the first spouse.

The percentage your future pension will be reduced is 10%, plus an added percentage based on the length of time you have already been receiving your pension (not counting time when your pension was reduced for a survivor annuity). This added reduction is $\frac{1}{2}\%$ for each year or part of a year for the first 5 years, 1% for each year or part of a year for the next 5 years, and 2% each year or part of a year thereafter. For example: If you married after being retired on full pension for 10 full years, the reduction would be $17\frac{1}{2}\%$ (10% plus $2\frac{1}{2}\%$ for the first 5 years plus 5% for the next 5 years). The amount and duration of the spouse's benefit is the same as for the spouse's benefit described earlier, i.e., 55% of your pension determined under the formula.

If, as an unmarried person, you elected a benefit for a child, children or other person and later marry, you can elect within one year of your marriage to have a spouse's benefit in place of your previous election. An appropriate adjustment in the reduction of your benefit will be made.

Special Rules for Disability Benefits

Special rules apply to a survivor's benefit if you receive a disability benefit.

- You cannot choose a reduced spouse's benefit. It must be the full benefit or nothing.
- You cannot elect a survivor's benefit for someone other than a spouse.
- Under the spouse's benefit, the 10% reduction for coverage applies before your benefit is reduced by Social Security disability benefits.
- Your surviving spouse's benefit will be 55% of the amount you were entitled to receive before the offset for Social Security disability benefits was applied. The amount of your spouse's Social Security widow, widower's or mother/father income benefit (excluding children's benefits) will then be subtracted, with this exception: During the period your surviving spouse is not eligible to

receive Social Security Benefits because he/she is employed, and under age 60, the surviving spouse's benefit will not be reduced.

- When your surviving spouse reaches age 60, a Social Security offset equal to the Social Security Benefit that would have been payable if your spouse had been age 60 at the time of your death will always be applied.

Adjustment if Your Marriage Ends or Your Spouse Dies

Before the adjustment in your pension is discontinued, proof of the dissolution of your marriage or your spouse's death is required. No adjustments for death, divorce or annulment will be applied before January 1, 1975.

Adjustment if Your Named Survivor Dies

Before the adjustment in your pension is discontinued, proof of the death of your named survivor is required. No adjustments for death will be applied before January 1, 1983.

Important Note

No changes can be made in your election of a survivor's benefit once you retire unless you marry or remarry, or unless your named survivor dies before you do. Therefore, it is very important that you consider your election carefully.

Pensions for Survivors if You Die While Employed

If you die during the period when you are employed by AAFES and are making contribution to the Retirement Plan, one of these three death benefits will apply:

- 1. If Eligible for Retirement (Except Optional Early Retirement).** If you meet one of the following sets of requirements—

You are age 62 or more with 5 or more years of Credited Civilian Service,

You are age 50 or more with 20 or more years of Credited Civilian Service, or

You are any age with 25 or more years of Credited Civilian Service,

provided you are married on the date of your death, then your spouse may be eligible for a lifetime annuity. This annuity will be determined as though you had retired on the day before your death and as though the survivor's benefit (see [page 37](#)) were applicable.

2. If Not Eligible for Retirement, or if You are Only Eligible for Optional Early Retirement.

If you are not eligible for retirement, but qualify for Optional Early Retirement,

or

You have at least 18 months of Credited Civilian Service at your death, and

You have been married at least one year or are the parent of a child born of the current marriage, then your surviving spouse may be eligible to receive a pension for life). During the period before your surviving spouse reaches age 60, the amount of the pension will be offset by the widow or widower's or mother/father's benefit that your spouse can receive from Social Security (excluding children's benefits), unless the Social Security Benefits are not being paid because your spouse is working. This

could result in your spouse not receiving any income under the AAFES plan, if Social Security pays a substantial benefit.

The amount of the spouse's benefit before the Social Security offset is 55% of your pension determined under the formula, but not less than 55% of the smaller of the following two amounts:

40% of your High-3 Average Compensation, or the pension benefit determined under the formula, but with your Credited Civilian Service increased by the number of years between the date of your death and age 60.

If Workers' Compensation is payable to your spouse, there is a limit on the amount payable from the Retirement Plan. (See Workers' Compensation in the [Explanation of Terms, page 52](#)).

Lump-Sum Death Benefit

Payment of any lump sum due will be made to your spouse if you die while you are an active employee, or otherwise, to your designated beneficiary.

Any balance remaining to your credit, after all persons to whom pension income under the plan is payable have died, will be payable to the designated beneficiary in a lump sum.

You have the opportunity to sign a “Designation of Beneficiary” form when you become a retirement plan participant. This form is available electronically through the AAFES eBenefits web site, www.aafesbenefits.com. You should check your beneficiary choice from time-to-time to be sure it still reflects your wishes. You can update your beneficiaries’ on-line at any time.

Cash Settlement of Small Pensions

If your pension is less than \$600 a year, you may be paid a cash settlement instead of a pension.

Qualified Domestic Relations Order (QDRO)

AAFES will accept and process Qualified Domestic Relations Orders (QDROs) against the AAFES Retirement Plan, if the plan administrator determines the QDRO is a Qualified Order as defined under the Basic Retirement Plan for the Employees of AAFES.

QDROs can be processed against plan benefits for active employees or employees who have already retired. Send requests to process a QDRO to:

HQ AAFES Benefits Development & Admin Branch
QDRO Coordinator
P.O. Box 650428 (FA-T/B)
Dallas, TX 75265-0428

After the QDRO is finalized and meets the qualification requirements, AAFES will authorize the applicable assignment of benefits and will notify the payment provider when benefits payments are due.

Retirement Portability Provisions

Basic plan participants who move to an Appropriated Fund (APF) retirement covered position on or after December 28, 2001, and without a break in service of more than one year may elect to continue coverage in the Basic Retirement Plan following the move.

Prior to December 28, 2001, Basic plan participants who moved to an Appropriated Fund (APF) retirement covered position were required to be vested in the Basic retirement plan in order to continue participation.

AAFES plan participants who were vested in the plan and who moved prior to August 10, 1996 were eligible for retroactive retirement coverage elections under Section 1043 of Pub. L. 104-106. Those elections should have been made by August 11, 1997; however, waivers of this deadline are authorized for employees who did not receive notice and counseling.

Future of the Plan

AAFES hopes and expects to continue the Retirement Plan indefinitely. Every effort has been made to design the Plan so it will meet future conditions. To protect employees and the employer against unforeseen conditions, the right to change or discontinue the Retirement Plan is necessarily reserved by AAFES. Changes to, or discontinuance of the Retirement Plan will not affect the retirement pension paid to you from your contributions and contributions made by AAFES for you before the date of such change or discontinuance, except to meet the requirements of the Internal Revenue Service of the United States.

Your Rights Under the Plan

This Plan is not a contract and does not give you any job rights, or any right, or claim to a retirement benefit unless the right to such benefit has been specifically earned by you under the terms of the Plan.

Your contributions, and AAFES' contribution toward Plan costs, are held by investment counselors, banks, and insurance companies, in accordance with legal contracts. These legal contracts govern the investment of Plan assets and payment of Plan benefits.

Unless otherwise provided by law, the benefits under this Retirement Plan are not assignable. But, if your employment ends, you may elect to have your contribution with credited interest, that are otherwise returnable to you, assigned to another party.

Explanation of Terms

Annuity

An annuity is an annual income in a specified amount. It is the same thing as a pension.

Army & Air Force Motion Picture Service (AAFMP)

Credited Civilian Service under the AAFMP plan will be treated as though it were AAFES service, provided you became an employee of AAFES at the time of the merger of AAFMP with AAFES or within 90 days thereafter.

Contingent Annuity

If you terminate employment and are vested, you may choose to provide a Contingent Annuity instead of the regular lifetime pension for just yourself. Under a Contingent Annuity, you receive a reduced pension during your lifetime, and upon your death a person you name (your "Contingent Annuitant") starts receiving a pension, which continues for his/her remaining lifetime. The reduction in your pension depends on the age difference between you and your Contingent Annuitant, and on the amount of pension you want your Contingent Annuitant to receive. You can name anyone you wish as a Contingent Annuitant. If your Contingent Annuitant dies before your pension begins, you may cancel your election, or make a new

election. If your Contingent Annuitant dies after your pension begins, but before your death, you will continue to receive a reduced pension, but no benefits will be payable beyond your lifetime, except under the Lump-Sum Death Benefit provisions on [page 39](#).

Creditable Military Service

In determining your Credited Service, up to 5 years of active and honorable U.S. military service will be counted, with these two exceptions:

1. Military service in which you are entitled to receive military retired pay, unless—
 - a. Retired pay is due to a service-connected disability incurred in combat with an enemy of the United States.
 - b. Retired pay is due to a service-connected disability caused by an instrument of war, and incurred in the line-of-duty during a period of war.
 - c. Retired pay is due under the provisions of Chapter 7 of Title 10, United States Code (pertaining to retirement from Reserve components of the Armed Forces).

2. Two-week reserve duty (annual training), or other periods where you are on Active Duty Training (ADT) or Inactive Duty Training (IDT), counts as though you had remained on the job.

Creditable Prior Bookstore Service

If you transferred to AAFES when it took over operational control of a bookstore activity, you receive credit under this plan for prior service with Army Bookstores as a regular full-time NAFI civilian employee (under the same rules as for AAFES employees) if that service was credited for retirement under the NAFI Retirement Plan for Bookstore Employees.

Creditable Prior NAFI Service

If you received credit for regular full-time service as a civilian employee under the retirement plan of another Department of Defense Nonappropriated Fund Instrumentality (NAFI) and you were subsequently hired by AAFES within 90 days after termination, then your service credit under the NAFI plan will count as Credited Civilian Service under the AAFES plan in the same manner as for AAFES employees. There will be an offset to your AAFES pension regardless of whether you receive a NAFI pension for NAFI service credited under the AAFES Retirement Plan, or if you withdrew contribution from a NAFI Retirement Plan.

Credited Service

This is the service that counts in determining the amount of your pension. It includes Credited Civilian Service plus Military Service plus unused sick leave. See [page 5](#) for details.

Credited Civilian Service

This is the service that counts in determining whether you have completed the requirement for receiving a pension. It includes all your service as an AAFES Retirement Plan participant, plus certain other periods. See [pages 5 and 6](#) for details.

Any period you are granted “leave without pay” by AAFES during a period of active, honorable U.S. military service will be considered to be continuous AAFES civilian employment provided you return to work within the required time period. Such service is not counted, therefore, as part of the 5 years of Creditable Military Service.

Interest

Interest is credited on your contributions at the rate of 2% per annum up to December 31, 1966 and at a 3% per annum after that.

Involuntary Early Retirement

Involuntary Early Retirement requires Involuntary Termination of Employment and one of the following:

25 years of Credited Civilian Service, or

Age 50 and 20 years of Credited Civilian Service.

See [page 18](#) for details.

Involuntary Termination of Employment

An Involuntary Termination occurs when:

The termination is against your will and without your consent, for a reason other than cause (changes of misconduct or delinquency), *or*

In the event of termination which results from your refusal to accept a demotion, or from declination of a transfer to another position or location not within reasonable commuting distance. The involuntary termination will be deemed to occur when you resign after receipt of notice of the demotion or transfer, even though the resignation is effective prior to the effective date of the demotion or transfer, *or*

Your resignation is accepted by the designated authority in response to an official announcement that a segment of the workforce, of which you are part, must be reduced.

Lump-Sum Death Benefit

A refund of all or a portion of your contributions with interest will be made if, following payment of all benefits due you and your survivors in the form of monthly income, such benefits have not, in total, equaled the amount of your contributions with interest. For example: If your contribution with interest totaled \$3,000 and payments of income benefits under the plan to you and your survivors totaled \$2,000, a refund of \$1,000 would be due. See [page 39](#) for further details.

Normal Retirement

Normal Retirement under the Plan requires you have 5 years of Credited Civilian Service and reach age 62. Retirement at this date is not mandatory. See [page 15](#) for details.

Optional Early Retirement

Optional Early Retirement under the Plan must be approved by AAFES and requires you have 5 years of Credited Civilian Service and reach age 52. See [page 16](#) for details.

Panamanian AAFES Service

As a result of the Panama Canal Treaty effective October 1, 1979, non-U.S. citizens in Panama are covered by Panamanian Social Security and not by the AAFES Retirement Plan. However, if a Panamanian AAFES employee had at least 20 years of Credited Civilian Service as of 1 October 1979, and left his/her contributions in the Retirement plan, he/she may elect Voluntary Early Retirement when the age requirements of 55 or 60 are met. The pension payable in such case will be determined as of October 1, 1979, and will include the lesser of unused sick leave and vacation leave accrued on 1 October 1979, or on the date of retirement.

Permanent Annuity

Under the Retirement Plan, this refers to the portion of your pension that is payable after the Social Security offset. If you retire before age 62, you receive both a Permanent Annuity, and a Temporary Annuity that lasts just until age 62.

Qualified Domestic Relations Order (QDRO)

A QDRO is a legal document that creates or recognizes the existence of an alternate payee's (typically, a divorced spouse) right to, or assign to an alternate payee the right to, receive all or a portion of the benefits payable to an employee under the plan.

Spouse

Spouse as used herein generally refers to a formal relationship resulting from a legal union between one man and one woman as husband and wife as determined under applicable state law. For example: A formal statement of common law marriage accepted as a legal relationship in a particular state will qualify the common law spouse as a “spouse” for purposes of the AAFES Retirement Plan. All references in this Plan to term “spouse” shall mean a spouse as defined herein.

Temporary Annuity

Under the AAFES Retirement Plan, this refers to the portion of your pension that is payable only until the date the Social Security offset begins. The Temporary Annuity is not a vested benefit.

Totally and Permanently Disabled

“Totally and Permanently Disabled” as applied to you means “the inability of the Employee to engage in any and every gainful occupation in which he or she might reasonably be expected to engage with due regard to the Employee’s education, training, experience, or prior economic status,” provided that you shall not be deemed to be Totally and Permanently Disabled for the purpose of the Plan if the disease or injury which caused the disability is the result of vicious habits, intemperance, or willful misconduct on your part within the 5-year period immediately prior to becoming disabled.

When you retire with a disability benefit and are no longer Totally and Permanently Disabled, the administrative actions to be taken will be those established by the HR Directorate and incorporated in existing administrative policies.

Vesting or Vested Benefit

Vesting is the process by which a plan participant earns a permanent right to receive a pension benefit. See the description of vested benefits in paragraph 3 on [page 19](#).

Voluntary Early Retirement

Voluntary early retirement under the plan requires that you voluntarily leave your job and you meet one of the following requirements:

Age 55 and 30 years of Credited Civilian Service
or

Age 60 and 20 years of Credited Civilian Service.

See [page 15](#) for details.

Workers' Compensation

There is a limit on the amount of income you can receive under the AAFES Retirement Plan and Workers' Compensation in combination. This limit applies if you receive a monthly income from Workers' Compensation for an occupational injury or diseases connected with your employment with AAFES, and at the same time receive a pension from the AAFES Retirement Plan. Lump-sum settlements from Workers' Compensation are not applied in computing the limit.

To see how the limit works, suppose you are disabled by an accident on the job at age 60 after 30 years of service, and your average earnings are \$10,000 for the last three years. Your pension benefit under the formula before the Social Security offset would be \$5,625 a year (see example below). If you are receiving a Workers' Compensation benefit of \$4,800 a year, your total income before the Social Security offset would be \$10,425, but the Retirement Plan limits you to 90% of your High-3 Average Compensation, or \$9,000. Because \$4,800 is payable from Workers' Compensation, only \$4,200 is needed from the Plan to bring you to the \$9,000 limit. Therefore, your AAFES pension before the Social Security offset will be reduced to \$4,200.

High-3 Average Compensation	\$10,000
Your Pension Determined Under the Formula (30 years Service)	\$ 5,625
Annual Workers' Compensation Benefit	\$ 4,800
TOTAL OF BOTH BENEFITS	\$10,425
\$10,000 (High-3 Average Compensation) X 90% (Limitation on Benefits \$9,000)	\$ 4,800
Minus Workers' Compensation Benefit	
PENSION BENEFIT IS LIMITED TO	\$4,200*

* In lieu of \$5,625

The amount of income your surviving spouse (or another person you have named to receive a pension) can receive from the Retirement Plan and Workers' Compensation in combination is limited to 49.5% of your High-3 Average Compensation. This limit is applied before any reduction for Social Security widow's or widower's benefits.

Questions and Answers

Following are answers to some of the questions that are most frequently asked:

1. Does my age have anything to do with the rate of my retirement plan contributions?

A. No.

2. Do I make contributions while absent on authorized sick or vacation leave?

A. Yes. If you are receiving salary or wages from AAFES, you make retirement plan contributions at the usual rate.

3. If I terminate my service and subsequently become reemployed, do I lose credit for my previous period of employment?

A. Your credits for all previous regular full-time employment may be reinstated. If you had withdrawn your own contributions when you previously terminated, they must be re-deposited with interest prior to the earlier of the following to occur: 5 years from the date of reemployment in an eligible category (currently regular full-time), the date you retire, die, termi-

nate with vested rights, or are terminated with a disability benefit; otherwise, you will not receive any credit for previous employment.

4. What is done with the contributions to the plan?

A. They are deposited with investment managers selected by the trustees.

5. May I borrow on my contributions?

A. No—Never.

6. May I withdraw my contributions?

A. Only if you terminate your employment.

7. Has AAFES made contributions for the Social Security portion of my total retirement?

A. Yes. AAFES will have matched your Social Security contributions for the period of your civilian service.

8. How does my AAFES retirement income compare with that which I could purchase otherwise?

A. Generally, the Retirement Plan provides more income because you have the advantage of the AAFES contributions as well as your own.

9. Is the Social Security Offset applied at age 62 if I decide to have my Social Security benefits start at a later date?

A. Yes. AAFES uses the age 62 benefit in the calculation; therefore, the retiree is not penalized on the amount they receive from the plan.

10. Is there any reduction in the amount of retirement income if I retire before age 62?

A. For Voluntary Early Retirement at age 55 after 30 years of Credited Civilian Service, or at age 60 after 20 years of Credited Civilian Service, there is no reduction even though you have not reached age 62.

Optional Early Retirement and Involuntary Early Retirement are reduced as follows:

For Optional Early Retirement, the amount will be reduced at the rate of 4% per year, for each year your retirement pension commencement date precedes your Normal Retirement date.

For Involuntary Early Retirement under an announced curtailment of the workforce by the Commander, AAFES before age 55, the amount is reduced by 2% per year for each year your retirement date precedes age 55. Otherwise, the 2% per year reduction applies to the age that you need to qualify for voluntary early retirement.

11. When is the earliest that I can retire?

- A. 52 years of age and 5 or more years of Credited Civilian Service. If you are eligible for an Involuntary Early Retirement, 25 years of Credited Civilian Service at any age.

12. How are my cost-of-living adjustments (COLAs) computed?

- A. Presently annual COLAs for retired employees and survivors are effective December 1. The

method of computation is the same as under the Civil Service Retirement Act, as amended, subject to changes made by Congress at any time. This is as follows: The December 1 increase is determined by the percentage change in the Consumer Price Index (CPI-W), published for the preceding calendar year. Pensions are increased by no more than the actual percentage rise in the CPI-W, adjusted to the nearest one-tenth of one percent. If at any time there is no change, or if the percentage represents a drop in CPI-W, there is no change in the amounts of pensions. The initial increase after retirement is determined according to how many months you were retired prior to December 1. For example: If the CPI-W increased by 6%, and you retired on June 1, you will receive a COLA of 3%. This is because you were retired for the months of June, July, August, September, October and November, a total of 6 months, which is $6\frac{1}{2}$, or $\frac{1}{2}$ of the COLA period.

13. Could there be a decrease in my annuity because of COLAs?

A. No.

14. Is the COLA part of my basic retirement annuity?

A. No. The COLA is not a vested benefit.

15. What happens to my contributions if I terminate my employment with less than 3 years of service?

A. You will receive a lump-sum return of your contributions.

16. If I die as an active participant, what happens to my contributions?

A. If you are:

Single, or married for less than one year, or married more than one year and a participant less than 18 months, your beneficiary receives your contributions plus interest if applicable, *or*

A participant with at least 18 months of service and married for at least one year and eligible for retirement, your spouse receives an annuity computed in accordance with the prescribed formula.

17. If I die after I retire are there any further benefits?

A. If at the time of your retirement:

You were married and elected to have your spouse receive a benefit, your spouse will receive benefits according to the plan formula, *or*

You were married and elected not to have your spouse receive a benefit, there will be no further benefits, *or*

You were not married, and elected a named survivor (child, etc.) to receive a benefit, your named survivor will receive benefits according to the Plan.

18. What is the difference between a beneficiary and a survivor?

A. A beneficiary is not entitled to any pension benefits relating to your employment, but is entitled to the excess of your contributions plus interest over the retirement benefits you or your survivor have already received at the time of your death.

A survivor is entitled to benefits according to the Plan after you die.

19. Whom may I name as my beneficiary for my contributions?

A. Any living person, or organization.

20. What happens if the person(s) I name as beneficiary dies before I do?

A. If the beneficiary/beneficiaries are not living at time of your death, any lump-sum payment due will be paid in accordance with your will, to your estate, or a designated line of succession.

21. May I change my beneficiary?

A. Yes. By completing a new beneficiary designation form on-line through the eBenefits system at www.aafesbenefits.com. The eBenefits web site is also available to active associates through the AAFES Intranet at Employee Self-Service web site. If you do not have access to the web site and already retired, contact the HQ AAFES Benefits Branch at 1-800-519-3381 for assistance.

22. What assurance do I have that my retirement pension will be paid?

- A. AAFES makes substantial contributions so the funds necessary to provide for your pension are available when you retire. These funds are held in trust for the benefit of Plan participants.

23. Is it possible that less money will be returned to me than I contributed to the retirement plan?

- A. No. You and your beneficiary will get back all of your contributions, plus credited interest if applicable.

24. Is military service included in my pension calculation?

- A. Yes. Up to five years with certain exceptions.

