

**U. S. Customs and Border Protection  
Customs and Border Protection Officer (CBPO)  
Retirement Coverage  
April 2008**

**Customs and Border Protection Officer (CBPO) Retirement Coverage**

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**Part I:**

**Key Provisions of Public Law 110-161, Division E, Section 535**

Was enacted on December 26, 2007, established special retirement provisions for Customs and Border Protection Officers (CBPOs)

Becomes effective as of the pay period beginning July 6, 2008

Provides CBPOs with retirement coverage that is similar to that of law enforcement officers (LEOs)

Changes retirement deductions and the accrual of benefits

Provides CBPOs employed in a covered position with an opportunity to "opt out" by making an election

**The new law defines a CBP Officer as an employee:**

Who holds a position within the G8-1895 job series and whose duties include activities relating to the arrival and departure of persons, conveyances, and merchandise at Ports of Entry.

"Primary" 1895s include only:

- CBP Officers
- Customs Inspectors
- Immigration Inspectors
- Canine Enforcement Officers

Included in definition are employees within DHS who transfer directly to secondary supervisory or administrative positions after performing the above CBPO duties for a period of at least 3 years

Secondary' CBPO's include:

Series	Job Titles
301	Operations Specialists
340	DFO's, Port Directors, Program Managers
1801	Supervisory Canine Enforcement Officers, Supply Chain Specialists, ACS Specialists, CBP Representatives, Senior Watch Officers
1895	Supervisory CBPOs CBPOs (Course Developer/Instructor)

## Part II:

### CBPOs Onboard as of December 26, 2007

If you choose not to respond to this retirement coverage notice and become subject to the new CBPO retirement coverage, you do not need to do anything (a.k.a. Opt In)

If you choose to opt out of the CBPO retirement coverage and you must complete and return the CBP Form 100, Election to Opt Out of CBPO Retirement, by June 22, 2008

The following four charts will show you the effect of both of these options.

Impact of Election	Opt In	Opt Out
Effective Date	Your CBPO special retirement coverage will become effective on July 6, 2008	Not applicable
Contribution Rate	Your employee retirement contribution rate will increase by % of 1% (.5%).	Your retirement contribution will remain the same
Retirement Benefit	Your retirement benefit for all service up to 20 years performed as a CBPO beginning July 6, 2008, will be calculated based upon the special provisions rate for CBPO retirement coverage	The calculation of your retirement benefit will be based on your current retirement coverage

Impact of Election	Opt In	Opt Out
Basic Pay	Your basic rate of pay will not be affected	Your basic rate of pay will not be affected.
Maximum Entry Age	Maximum entry ages does not apply to CBPOs who are onboard on or before July 5, 2008.	Not applicable
Mandatory Retirement	Mandatory retirement does not apply to CBPOs who are onboard on or before July 5, 2008.	Not applicable

Impact of Election	Opt In	Opt Out
Early Optional Retirement Eligibility	<p><b>FERS CBPO:</b> may retire at age 50 with a minimum of 20 years or at any age with 25 years of service in a covered position after July 6, 2008.</p> <p><b>CSRS CBPO:</b> may retire at age 50 with a minimum of 20 years of service in a covered position after July 6, 2008.</p> <p>Under <b>both CSRS or FERS</b>, covered CBPO service after July 6, 2008, may be combined with service performed in law enforcement</p>	Not applicable

Impact of Election	Opt In	Opt Out
Other Benefits	The new CBPO retirement coverage has no effect on your other benefits.	No effect
Overtime and Premium Pay	The new CBPO retirement coverage has no effect on your overtime pay or premium pay	No effect

### **Part III:**

## **Incumbents of Customs and Border Protection Officer (Enforcement)**

### **Law Enforcement Covered Positions:**

Because you are currently eligible for law enforcement officer (LEO) coverage, the new CBPO retirement coverage does not apply to you.

Therefore, your retirement coverage and all related conditions associated with that coverage, such as deductions, annuity benefit accrual rates, and mandatory age retirement, will remain unchanged.

### **Part IV:**

## **Retirement Calculations**

### **FERS Retirement Calculations**

The retirement formula for a FERS employee who opts out of the CBPO retirement coverage is as follows:

1.00% x high three x 30 years of service

Example:

Onboard on 12/26/07

30 Years of Service as a FERS

Opted Out of CBPO Retirement Coverage

Percentage	High 3 average	Times years of Service	Equals Total Benefit
1.0%	\$100,000	30	\$30,000.00
Estimated Annual Annuity			\$30,000.00

**FERS Retirement Calculations:**

The retirement formula for a FERS employee who opts in to the CBPO retirement coverage is as follows:

- 1.70% x high three x 10 years of service plus
- 1.00% x high three x 20 years of service

Example:

Onboard on 12/26/07

30 Years of Service as a FERS

Ten Years of CBPO Retirement Coverage

Percentage	High 3 average	Times years of Service	Equals Total Benefit
1.7%	\$100,000	10	\$17,000
1.0%	\$100,000	20	\$20,000
Estimated Annual Annuity			\$37,000

**FERS Retirement Calculations:**

As the comparison below indicates, the more years you work under the FERS CBPO retirement coverage, the greater your annuity.

30 Years of Service as a FERS

**One, Ten, and Twenty Years of CBPO Retirement Coverage**

Percentage	High 3 average	Times years of Service	Equals total Benefit	Times years of Service	Equals total Benefit	Times years of Service	Equals total Benefit
1.70%	\$100,000	1	\$ 1,700	10	\$17,000	20	\$34,000
1.00%	\$100,000	29	\$29,000	20	\$20,000	10	\$10,000
Estimated Annual Annuity		1 year CBPO	\$30,700	10 year CBPO	\$37,000	20 Years CBPO	\$34,000

**Comparison of FERS Annuities for CBPOs Who Opt In and Opt Out**

**30 Years of Service as a FERS**

Opt In		Opt Out Annuity	% Increase
Years after 7/6/08	Annuity		
1	\$30,700	\$30,000	2.3%
10	\$37,000	\$30,000	23.3%
20	\$44,000	\$30,000	46.7%

**CSRS Retirement Calculations:**

The retirement formula for CBPO employee who opts out of the CBPO retirement coverage is as follows:

- 1.50% x high three x 5 years of service plus
- 1.75% x high three x 5 years of service plus
- 2.00% x high three x all years over 10

**Example:**

Onboard on 12/26/07

30 Years of Service as a CSRS

Opted Out of CBPO Retirement Coverage

Percentage	High 3 Average	Times years of Service	Equals Total Benefit
1.50%	\$50,000	5	\$3,750
1.75%	\$50,000	5	\$4,375
2.00%	\$50,000	20	\$20,000
Estimated Annuity		30	\$28,125

**CSRS Retirement Calculations:**

The retirement formula for a CSRS employee who opts in by CBPO retirement coverage is as follows:

- 2.50% x high three x 1 year of service plus
- 1.50% x high three x 4 years of service plus
- 1.75% x high three x 5 years of service plus
- 2.00% x high three x all years of service over 10

Percentage	High Average	Times years of Service	Equal Total Benefits
2.50%	\$50,000	1	\$1,250
1.50%	\$50,000	4	\$3,000
1.75%	\$50,000	5	\$4,375
2.00%	\$50,000	20	\$20,000
Estimate Annuity		30	\$28,625

**CSRS Retirement Calculations:**

As the comparison below indicates, the more years you work under the CSRS CBPO retirement coverage, the greater your annuity.

30 Years of Service as a CSRS

<b>One, Ten, and Twenty Years of CBPO Retirement Coverage</b>							
Percentage	High 3 Average	Times years of Service	Equals total Benefit	Times years of Service	Equals total Benefit	Times years of Service	Equals total Benefit
2.50%	\$50,000	1	\$ 1,250	10	\$12,500	20	\$25,000
1.50%	\$50,000	4	\$3,000	0	0	0	0
1.75%	\$50,000	5	\$4,375	0	0	0	0
2.00%	\$50,000	20	\$20,000	20	\$20,000	10	\$10,000
Estimated Annual Annuity		1 year CBPO	\$28,625	10 year CBPO	\$32,500	20 Years CBPO	\$35,000

**Comparison of CSRS Annuities for CBPOS Who Opt In and Opt Out**

Opt In		Opt Out	
Years after 7/6/08	Annuity	Annuity	% Increase
1	\$28,625	\$28,125	1.78%
10	\$32,500	\$28,125	15.56%
20	\$35,000	\$28,125	24.44%

**Part V:**

**Movement between positions & CBPO Retirement Coverage**

Primary CBPO - frontline at ports of entry

Only CBPO, Customs Inspector, Immigration Inspector, and CEO

Primary LEO - frontline rigorous • For example: BPA in Blaine Sector

Secondary CBPO -

Administrative in DHS (Supervisors, managers, technical and professional)

3 years of primary frontline experience is a mandatory prerequisite

**Movement from Primary to Secondary**

1	Primary CBPO 3 yrs cont	No Break	Secondary	Covered
2	Primary CBPO 2 yrs cont	Break - Import Specialist	Secondary	Not Covered
	Must return to Primary &			
	< 37 yrs old			
	3 yrs cont	No Break	Secondary	Covered



## **Part VI:**

### **Available Resources**

For assistance, call our CBPO Retirement Coverage Toll Free Hotline at 1-866-469-7359, 0800 to 2000, Monday thru Saturday

You may also e-mail us with your questions at [ecbpo.coverage@dhs.gov](mailto:ecbpo.coverage@dhs.gov)

Frequently Asked Questions (FAQ's) on the CBPO Retirement Coverage will be updated periodically on the CBP Intranet (CBPnet), and TECs Daily News. As needed, they will also be disseminated by the Mission Support staff in the Ports of Entry.