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**Example 1: Representative retiring in December 2002 at age 56 with 18 years of service**

**Traditional Defined-Benefit Pension Plan**

Present value of pension at age 62  
or retirement, if later:

**\$608,143**

**Cash Balance Pension Plan**

Cash Balance Plan at age 62  
or retirement, if later:

**\$251,086**

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**Example 2: Representative retiring in December 2002 at age 61 with 16 years of service**

**Traditional Defined-Benefit Pension Plan**

Present value of pension at age 62  
or retirement, if later:

**\$540,572**

**Cash Balance Pension Plan**

Cash Balance Plan at age 62  
or retirement, if later:

**\$164,455**

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**Example 3: Representative retiring in December 2002 at age 64 with 12 years of service**

**Traditional Defined-Benefit Pension Plan**

Present value of pension at age 62  
or retirement, if later:

**\$390,208**

**Cash Balance Pension Plan**

Cash Balance Plan at age 62  
or retirement, if later:

**\$107,767**

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**Example 4: Representative retiring in December 2002 at age 73 with 12 years of service**

**Traditional Defined-Benefit Pension Plan**

Present value of pension at age 62  
or retirement, if later:

**\$310,456**

**Cash Balance Pension Plan**

Cash Balance Plan at age 62  
or retirement, if later:

**\$107,767**

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**Example 5: Representative retiring in December 2002 at age 77 with 16 years of service**

**Traditional Defined-Benefit Pension Plan**

Present value of pension at age 62  
or retirement, if later:

**\$360,888**

**Cash Balance Pension Plan**

Cash Balance Plan at age 62  
or retirement, if later:

**\$144,366**

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**Example 6: Representative retiring in December 2002 at age 53 with 10 years of service**

**Traditional Defined-Benefit Pension Plan**

Present value of pension at age 62  
or retirement, if later:

**\$337,857**

**Cash Balance Pension Plan**

Cash Balance Plan at age 62  
or retirement, if later:

**\$166,606**

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**Example 7: Representative retiring in December 2002 at age 45 with 8 years of service**

<b>Traditional Defined-Benefit Pension Plan</b>		<b>Cash Balance Pension Plan</b>	
Present value of pension at age 62 or retirement, if later:	<b>\$270,286</b>	Cash Balance Plan at age 62 or retirement, if later:	<b>\$227,806</b>

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**Example 8: Representative retiring in December 2002 at age 48 with 10 years of service**

<b>Traditional Defined-Benefit Pension Plan</b>		<b>Cash Balance Pension Plan</b>	
Present value of pension at age 62 or retirement, if later:	<b>\$337,857</b>	Cash Balance Plan at age 62 or retirement, if later:	<b>\$239,185</b>

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**Example 9: Representative retiring in December 2002 at age 62 with 12 years of service**

<b>Traditional Defined-Benefit Pension Plan</b>		<b>Cash Balance Pension Plan</b>	
Present value of pension at age 62 or retirement, if later:	<b>\$405,429</b>	Cash Balance Plan at age 62 or retirement, if later:	<b>\$107,767</b>

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**Example 10: Representative retiring in December 2002 at age 58 with 8 years of service**

<b>Traditional Defined-Benefit Pension Plan</b>		<b>Cash Balance Pension Plan</b>	
Present value of pension at age 62 or retirement, if later:	<b>\$270,286</b>	Cash Balance Plan at age 62 or retirement, if later:	<b>\$88,972</b>

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**Example 11: Senator retiring in December 2002 at age 70 with 18 years of service**

<b>Traditional Defined-Benefit Pension Plan</b>		<b>Cash Balance Pension Plan</b>	
Present value of pension at age 62 or retirement, if later:	<b>\$508,266</b>	Cash Balance Plan at age 62 or retirement, if later:	<b>\$161,623</b>

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**Example 12: Senator retiring in December 2002 at age 62 with 14 years of service**

<b>Traditional Defined-Benefit Pension Plan</b>		<b>Cash Balance Pension Plan</b>	
Present value of pension at age 62 or retirement, if later:	<b>\$473,000</b>	Cash Balance Plan at age 62 or retirement, if later:	<b>\$124,131</b>

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**Example 13: Senator retiring in December 2002 at age 51 with 8 years of service**

<b>Traditional Defined-Benefit Pension Plan</b>		<b>Cash Balance Pension Plan</b>	
Present value of pension at age 62 or retirement, if later:	<b>\$270,286</b>	Cash Balance Plan at age 62 or retirement, if later:	<b>\$147,610</b>

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**Example 14: Senator retiring in December 2002 at age 61 with 18 years of service**

<b>Traditional Defined-Benefit Pension Plan</b>		<b>Cash Balance Pension Plan</b>	
Present value of pension at age 62 or retirement, if later:	<b>\$608,143</b>	Cash Balance Plan at age 62 or retirement, if later:	<b>\$173,744</b>

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**Example 15: Senator retiring in December 2002 at age 68 with 14 years of service**

<b>Traditional Defined-Benefit Pension Plan</b>		<b>Cash Balance Pension Plan</b>	
Present value of pension at age 62 or retirement, if later:	<b>\$417,045</b>	Cash Balance Plan at age 62 or retirement, if later:	<b>\$124,131</b>

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**Example 16: Senator retiring in December 2002 at age 56 with 10 years of service**

<b>Traditional Defined-Benefit Pension Plan</b>		<b>Cash Balance Pension Plan</b>	
Present value of pension at age 62 or retirement, if later:	<b>\$337,857</b>	Cash Balance Plan at age 62 or retirement, if later:	<b>\$134,112</b>

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**Example 17: Senator retiring in December 2002 at age 61 with 8 years of service**

<b>Traditional Defined-Benefit Pension Plan</b>		<b>Cash Balance Pension Plan</b>	
Present value of pension at age 62 or retirement, if later:	<b>\$270,286</b>	Cash Balance Plan at age 62 or retirement, if later:	<b>\$66,623</b>

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**Example 18: Senator retiring in December 2002 at age 70 with 8 years of service**

<b>Traditional Defined-Benefit Pension Plan</b>		<b>Cash Balance Pension Plan</b>	
Present value of pension at age 62 or retirement, if later:	<b>\$225,896</b>	Cash Balance Plan at age 62 or retirement, if later:	<b>\$66,623</b>

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**Example 19: Senator retiring in December 2002 at age 59 with 6 years of service**

**Traditional Defined-Benefit Pension Plan**

Present value of pension at age 62  
or retirement, if later:

**\$202,714**

**Cash Balance Pension Plan**

Cash Balance Plan at age 62  
or retirement, if later:

**\$59,696**

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**Example 20: Representative retiring in December 2002 at age 48 with 10 years of service**

**Traditional Defined-Benefit Pension Plan**

Present value of pension at age 62  
or retirement, if later:

**\$337,857**

**Cash Balance Pension Plan**

Cash Balance Plan at age 62  
or retirement, if later:

**\$239,185**

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**NOTE:** The examples compare retirement annuities for Members of Congress under the Federal Employees' Retirement System (FERS) with the benefit that would have been accumulated under a hypothetical cash balance plan. The tables do **not** show the benefit that would result from converting a retirement benefit that has been accrued under FERS to a cash balance plan. The hypothetical cash balance plan incorporates an annual salary credit equal to 5% of pay and an interest credit linked to the average annual yield on newly issued 6-month Treasury bills in the year the credit is applied. For individuals who terminate employment before age 62, it is assumed that the accrued benefit under the cash balance plan is rolled into an individual retirement account that earns an average annual rate of return of 7.5%. Present value calculations are based on the interest rate specified in 26 C.F.R. 1.417(e). As published in I.R.S. Notice 2002-80, the interest rate in effect for December 2002 was 5.56%. Life expectancy at age 62 and later was taken from the Single Life Table published on page 19012 of the *Federal Register*, (vol. 67, no. 74), on April 17, 2002.

Year	T-Bill Rate	Representative's Salary	Senator's Salary
1985	7.66%	\$75,100	\$75,100
1986	6.03	75,100	75,100
1987	6.05	88,492	88,492
1988	6.92	89,500	89,500
1989	8.04	89,500	89,500
1990	7.47	96,008	97,658
1991	5.49	125,100	110,600
1992	3.57	129,500	129,500
1993	3.14	133,600	133,600
1994	4.66	133,600	133,600
1995	5.59	133,600	133,600
1996	5.09	133,600	133,600
1997	5.18	133,600	133,600
1998	4.85	136,700	136,700
1999	4.76	136,700	136,700
2000	5.92	141,300	141,300
2001	3.40	145,100	145,100
2002	1.69	150,000	150,000