



**PLANNING FOR RETIREMENT  
CSRS**

**PARTICIPANT GUIDE**

**Instructor: Tom Haley**

# TECHNICAL ASPECTS OF RETIREMENT

## RETIREMENT REQUIREMENTS (CSRS)

♥ <u>OPTIONAL</u>	Pages 2-3
♥ <u>DISABILITY</u>	Page 4
♥ <u>DISCONTINUED SERVICE</u>	Page 5
♥ <u>DEFERRED</u>	Page 6

## ANNUITY COMPUTATIONS (CSRS and FERS) Pages 7-11

## CIVILIAN DEPOSIT Page 12

## CIVILIAN REDEPOSIT Page 13

## POST-1956 MILITARY SERVICE Page 15

## THRIFT SAVINGS PLAN Pages 17-24

## VOLUNTARY CONTRIBUTIONS Page 27

## COST OF LIVING ADJUSTMENTS Page 28

## SURVIVOR BENEFITS (Before retirement) Pages 29-30 (After retirement) Page 31

## ALTERNATIVE FORM OF ANNUITY Page 32

## FEDERAL GROUP LIFE INSURANCE Pages 34-39

## FEDERAL GROUP HEALTH INSURANCE Pages 40-41

## SOCIAL SECURITY LAWS (Windfall Elimination Provision) Page 42 (Government Pension Offset) Page 43

## DIVORCE Pages 47-48

## LONG TERM CARE INSURANCE Page 49

# OPTIONAL RETIREMENT CSRS

## WHO ARE CSRS EMPLOYEES?

Permanent Employees (Career or Career-Conditional) hired before January 1, 1984 or rehired after December 31, 1983 with a break in service of LESS than 1 year.

On your last Personnel Action (SF-50), in the block for Retirement Plan (30) you will have a "1" if you are covered by CSRS.

COST:           7.00% to CSRS Retirement Fund  
                  1.45% to HITS Tax (buys you Medicare-Part A)  
                  -----  
                  8.45% Total cost to fund future annuity plus free Medicare-Part A at 65

Optional retirement eligibility **requires** attainment of **age and service** before adding in any unused sick leave.

## QUALIFYING COMBINATIONS

AGE	SERVICE
55	30 YEARS (INCLUDES CREDITABLE MILITARY SERVICE)
60	20 YEARS (INCLUDES CREDITABLE MILITARY SERVICE)
62	5 YEARS

(At least 5 years in any combination must be civilian service)

# OPTIONAL RETIREMENT CSRS OFFSET

## WHO ARE CSRS-OFFSET EMPLOYEES?

Rehired Permanent Employees who were previously CSRS employees but who have been separated for more than 1 Year and who had more than 5 years of CSRS coverage as of the date of last separation.

On your last Personnel Action (SF-50), in the block for Retirement Plan (30) you will have a "C" if you are covered by CSRS-Offset.

COST:           7.65% (Social Security @ 6.20% + 1.45% HITS Tax)  
                  .80% To CSRS Retirement Fund

-----  
8.45% Total cost to fund future annuity plus Social Security and  
          Medicare Part-A

Optional retirement eligibility **requires** attainment of **age and service** before adding in any unused sick leave.

## QUALIFYING COMBINATIONS

AGE	SERVICE
55	30 YEARS (INCLUDES CREDITABLE MILITARY SERVICE)
60	20 YEARS (INCLUDES CREDITABLE MILITARY SERVICE)
62	5 YEARS

(At least 5 years in any combination must be civilian service)

The CSRS-Offset Employee has full CSRS retirement benefits until age 62 when Social Security begins payment. At that time there is an "Offset" or reduction against the Civil Service annuity. It is the LESSER of:

- 1) The portion of CSRS Annuity related to the period of "Offset" coverage, or
- 2) The Social Security benefits time the years of "Offset" service divided by 40.

## **DISABILITY RETIREMENT CSRS AND CSRS-OFFSET**

### **MINIMUM REQUIREMENT**

- ♥ 5 YEARS OF CIVILIAN SERVICE

It must be proven to the Office of Personnel Management's (OPM) satisfaction that a medical condition has caused the inability to perform duties, resulting in less than adequate performance.

Annual physicals are required by OPM to verify continued disability.

If found to be recovered medically, the annuity will continue for 1 Year.

You cannot earn in any 1 Year, more than 80% of the current salary of the position you retired from.

If found restored to earning capacity, the annuity will terminate as of June 30 of the following year.

### **GUARANTEED MINIMUM CONCEPT**

You are guaranteed the LESSER of 40% of your High-3 Years of Salary Average (the equivalent of 21 years and 11 months of service)

OR

The annuity that would be payable if your age were projected to 60 and you were given credit for the projected years.

If you already have more than 21 years and 11 months of service at the the time of disability, you will receive credit based on that service.

**NOTE:** For the CSRS-Offset employee, the Offset formula will apply at age 62 when Social Security begins the Old-Age payments.

**DISCONTINUED SERVICE  
CSRS AND CSRS-OFFSET  
MINIMUM REQUIREMENTS**

- ♥ Age 50 with at least 20 years of creditable service
- ♥ Any age with at least 25 years of creditable service

AND

- ♥ Your job is abolished

OR

- ♥ You face directed reassignment outside your commuting area

AND

- ♥ There are no comparable positions within two grades of your current position within your commuting area.

When the above requirements are met, the Annuity formula is calculated the same way as for Optional Retirement.

**EXCEPT:** There will be a permanent 2% per year reduction for each year under Age 55.

**EARLY-OUT Retirement** eligibility uses the same requirements as above except that in that situation, Management identifies positions, locations or organizational structures which need reducing and then asks employees who meet the above requirements to let Management know if they would be interested in retiring.

**DISCONTINUED SERVICE RETIREMENT** is involuntary;

**EARLY-OUT RETIREMENT** is voluntary.

## **DEFERRED RETIREMENT CSRS AND CSRS-OFFSET**

### **MINIMUM REQUIREMENTS**

- ♥ 5 YEARS OF CREDITABLE CIVILIAN SERVICE AND AGE 62

Deferred Retirement occurs when:

You resign your position,  
Leave your contributions in the Retirement Fund,  
And file for an annuity at age 62

**Deferred Retirement is forfeited if you withdraw your retirement contributions any time after resigning.**

The annuity is computed in the same manner as for an Optional Annuity (Years of Service times the High-3 Years of Salary Average), but using the High-3 at the time of resignation.

Drawbacks to Deferred Retirement:

Loss of entitlement to Group Life and Group Health Insurance;

The negative effect of inflation on the High-3 Years of Salary Average.

If you die between Resignation and the Deferred Retirement eligibility, there are no Survivor Benefits payable. HOWEVER, your Survivor is entitled to a refund of your CSRS contributions.

# ANNUITY COMPUTATIONS

## CSRS CSRS-OFFSET

## FERS

Amount of Annuity is Figured On:  
High-3 Years of Salary Average X Length of Creditable Service

### CSRS FORMULA

1.50% X HIGH-3 X 5 YEARS

1.75% X HIGH-3 X 5 YEARS

2.00% X HIGH-3 X YEARS OVER 10

### FERS FORMULA

1% EACH YEAR OF SERVICE

(1.1% EACH YEAR OF SERVICE  
IF AGE 62 AND OVER 20 YEARS  
OF SERVICE)

PLUS

### FERS ANNUITY SUPPLEMENT

If you have at least one calendar year under FERS and are retiring on an Immediate Unreduced Annuity, you receive (between MRA and 62) a substitute for the portion of future Social Security represented by the FERS service.

### CSRS SHORTCUT

LENGTH OF SERVICE

Minus 2

Times 2

EX.: 30 YEARS OF SERVICE

30 MINUS 2 = 28

28 times 2 = 56

30 YEARS OF SERVICE

ACTUALLY EQUALS

56.25% OF THE HIGH-3.

It applies the Social Security Formula, using actual pay for years under FERS and "deemed" pay for years prior to FERS, and multiplies it by years of FERS Civilian Service divided by 40.

It is subject to the Social Security earning limitation of \$15,720 for the year 2015.

## HIGH-3 SALARY AVERAGE COMPUTATION

The High-3 Years of Salary Average is the highest pay obtained by averaging the rates of basic pay (including locality pay) in effect during any 3 consecutive years of service, with each rate weighted by the time it was in effect.

For most employees, the last 3 years of employment represent the highest 3 years. The formula is applied uniformly, whether CSRS, CSRS-OFFSET or FERS.

### COMPUTATION

YEAR/MO/DAY	SALARY	X	FACTOR = EARNINGS DURING THIS PERIOD
1995/08/03 <u>1995/01/08</u> 06-26	\$52,408	X	.572222 = \$29,989
1995/01/07 <u>1994/01/09</u> 11-29	\$50,105	X	.997222 = \$49,966
1994/01/08 <u>1993/01/10</u> 11-29	\$48,702	X	.997222 = \$48,567
1993/01/09 <u>1992/08/04</u> 05-06	\$46,508	X	.433333 = \$20,153
			\$148,675
			<b><u>DIVIDED BY 3 = \$49,558</u></b>

## SICK LEAVE

Sick leave constitutes the only temporary disability program the Government has in its Benefits package. At retirement CSRS and CSRS-OFFSET employees receive additional service credit for unused sick leave. FERS employees receive one-half credit if retiring before the year 2014. After that they will receive the same full credit that CSRS and CSRS-OFFSET employees receive now. The charts on this page and the next reflect the days and months value of unused sick leave hours.

		MONTHS				
		One	Two	Three	Four	Five
Days						
	0	174	348	522	696	870
	1	180	354	628	701	875
	2	186	369	533	707	881
	3	191	365	539	713	887
	4	197	371	545	719	893
	5	203	377	561	725	899
	6	209	383	557	730	904
	7	214	388	562	736	910
	8	220	394	568	742	916
	9	226	400	574	748	922
	10	232	406	580	754	928
	11	238	412	586	759	933
	12	243	417	591	765	939
	13	249	423	597	771	945
	14	255	429	603	777	961
	15	261	435	609	783	957
	16	267	441	615	788	962
	17	272	446	620	794	968
	18	278	452	626	800	974
	19	284	458	632	806	980
	20	290	464	638	812	986
	21	296	470	643	817	991
	22	301	475	649	823	997
	23	307	481	655	829	1003
	24	313	487	661	835	1009
	25	319	493	667	841	1015
	26	325	499	672	846	1020
	27	330	504	678	852	1026
	28	336	510	684	858	1032
	29	342	516	690	864	1038

## SICK LEAVE CHART (CONTINUED)

Days	MONTHS					
	Six	Seven	Eight	Nine	Ten	Eleven
0	1044	1217	1391	1565	1739	1917
1	1049	1223	1397	1571	1745	1919
2	1055	1229	1403	1577	1751	1925
3	1061	1236	1409	1583	1757	1930
4	1067	1241	1415	1588	1762	1936
5	1072	1246	1420	1594	1768	1942
6	1078	1252	1426	1600	1774	1948
7	1084	1258	1432	1606	1780	1954
8	1090	1264	1438	1612	1786	1959
9	1096	1270	1444	1617	1791	1965
10	1101	1275	1449	1623	1797	1971
11	1107	1281	1455	1629	1803	1977
12	1113	1287	1461	1635	1809	1983
13	1119	1293	1467	1641	1816	1988
14	1126	1299	1472	1646	1820	1994
15	1130	1304	1478	1652	1826	2000
16	1136	1310	1484	1658	1832	2006
17	1142	1316	1490	1664	1838	2012
18	1148	1322	1496	1670	1844	2017
19	1154	1328	1501	1675	1849	2023
20	1159	1332	1507	1681	1855	2029
21	1165	1339	1513	1687	1861	2035
22	1171	1345	1519	1693	1867	2041
23	1177	1351	1525	1699	1873	2046
24	1183	1357	1530	1704	1878	2052
25	1188	1362	1536	1710	1884	2058
26	1194	1368	1542	1716	1890	2064
27	1200	1374	1548	1722	1896	2070
28	1206	1380	1554	1728	1901	2075
29	1212	1386	1559	1733	1907	2081

## HOW SICK LEAVE IS USED IN A CSRS COMPUTATION

Employee has Elected to **Retire Effective July 3, 1999**

**Service Computation Date for Retirement is:** **02/02/1969**

**Current Sick Leave Balance as of**  
**Pay Period 7 (03/28 through 04/10) 2,264 Hours**

**Date of Optional Retirement** **1999/07/03**  
**Minus Service Computation Date** **1969/02/02**

**Total Creditable Service**

**30-05-02**

Current Sick Leave Balance	<b>2,264 Hours</b>
Projected Sick Leave to PP 13	<b><u>24 Hours</u></b>
	<b>2,288 Hours</b>

**2,087 Hours = 1 Year**  
**201 Hours = 0 Years – 1 Month – 5 Days**

01 ----- 01 ----- 05

<b>Total Creditable Service</b>	<b>30-05-02</b>
<b>Converted Sick Leave</b>	<b><u>01-01-05</u></b>
	<b>31-06-07</b>

**DAYS UNDER 30 ARE DROPPED**

**This Employee's Annuity Formula is Figured  
On 31 Years and 6 Months of Service**

## DEPOSIT CSRS AND CSRS-OFFSET

A deposit is money paid to the Civil Service Retirement Fund to purchase a period of service that was not covered by retirement deductions (e.g. temporary positions).

IF THE PERIOD OF SERVICE  
OCCURRED PRIOR TO  
OCTOBER 1, 1982

3% INTEREST PER YEAR  
UNTIL PAID

IF THE PERIOD OF SERVICE  
OCCURRED AFTER  
SEPTEMBER 30, 1982

INTEREST IS:

3% - THROUGH 1984  
 13.000% - 1985    2000 – 5.875%  
 11.125% - 1986    2001 – 6.375%  
   9.000% - 1987    2002 – 5.500%  
   8.375% - 1988    2003 – 5.000%  
   9.125% - 1989    2004 – 3.875%  
   8.750% - 1990    2005 – 4.375%  
   8.625% - 1991    2006 – 4.125%  
   8.125% - 1992    2007 – 4.875%  
   7.125% - 1993    2008 – 4.750%  
   6.250% - 1994    2009 – 3.875%  
   7.000% - 1995    2010 – 3.125%  
   6.875% - 1996    2011 - 2.750%  
   6.875% - 1997    2012 – 2.250%  
   6.750% - 1998    2013 – 1.625%  
   5.750% - 1999    2014 – 1.625%  
                           2015 – 2.000%

## EFFECT OF NON-PAYMENT

PRE 10/1/82 SERVICE

Counts toward:  
**RETIREMENT ELIGIBILITY**  
 And  
**ANNUITY COMPUTATION**  
 But  
 OPM will deduct annually  
 from the Annuity, 10% of the  
 amount of Deposit owed

POST 9/30/82 SERVICE

Counts toward:  
**RETIREMENT ELIGIBILITY**  
 Payment must be made for the  
 period of service to be included  
 in the Annuity Computation.

## REDEPOSIT CSRS

A redeposit is money paid to the Civil Service Retirement Fund as a result of having received a refund of contributions for a prior period of service.

IF THE REFUND  
OCCURRED PRIOR TO  
OCTOBER 1, 1982

3% INTEREST PER YEAR  
UNTIL PAID

IF THE REFUND  
OCCURRED AFTER  
SEPTEMBER 30, 1982

INTEREST IS:

3% - THROUGH 1984

13.000% - 1985	2000 - 5.875%
11.125% - 1986	2001 - 6.375%
9.000% - 1987	2002 - 5.500%
8.375% - 1988	2003 - 5.000%
9.125% - 1989	2004 - 3.875%
8.750% - 1990	2005 - 4.375%
8.625% - 1991	2006 - 4.125%
8.125% - 1992	2007 - 4.875%
7.125% - 1993	2008 - 4.750%
6.250% - 1994	2009 - 3.875%
7.000% - 1995	2010 - 3.125%
6.875% - 1996	2011 - 2.750%
6.875% - 1997	2012 - 2.250%
6.750% - 1998	2013 - 1.625%
5.750% - 1999	2014 - 1.625%
	2015 - 2.000%

## EFFECT OF NON-PAYMENT

Regardless of when the Refund was received the service **will always count** toward Retirement Eligibility.

The service **will not count** toward Annuity Computation.

Refunds of prior contributions must be repaid in order to count that service in the Annuity Computation.

**NOTE: If you retire on or after December 1, 1990 and owe a redeposit for service that ended before March 1, 1991 you can take a monthly actuarial reduction based on the "Alternative Form of Annuity" tables and receive a full Annuity Computation, if your retirement is not for disability purposes.**



## **CATCH-62 (CSRS) POST-1956 MILITARY SERVICE**

This affects all Federal Civil Servants who:

Have active duty service after December 31, 1956;  
Are not retired military; and  
Who will be eligible for Social Security at age 62, or upon retirement if working past age 62.

If military service performed after December 31, 1956 is not purchased at the rate of 7% of military pay received (plus interest) and the annuitant becomes eligible for Social Security at age 62, (or upon retirement, if working past age 62), then the Civil Service Annuity will be reduced proportionately by the amount of military service occurring after December 31, 1956.

*NOTE: If you were hired between October 1, 1982 and December 31, 1983, then you MUST purchase the military service in order to receive credit for it.*

**IF YOUR MILITARY SERVICE WAS PRIOR TO JANUARY 1, 1957, THERE IS NO NEED TO BUY THE MILITARY SERVICE.**

**IF YOU WILL NOT BE ELIGIBLE FOR SOCIAL SECURITY AT AGE 62, (OR UPON RETIREMENT, IF WORKING PAST AGE 62), THERE IS NO NEED TO BUY THE MILITARY SERVICE.**

Since CSRS-OFFSET employees are under full Social Security, if their military service occurred after December 31, 1956, they should definitely buy the military time.

IF                    **Your** military service was after December 31, 1956,  
AND                **You** will be eligible for Social Security at age 62, or  
                              **Upon** retirement if working past age 62,  
THEN                **You** should consider buying it.

If you have some Social Security credits, you may wish to consider buying it, since employment after retirement could provide the necessary remaining quarters and you must complete the Post-1956 military service purchase before you retire.

To start the process, contact your Personnel or Human Resources Office and tell them you want to purchase your Post-1956 military service. They will send you a SF-2803 and a "Form for Estimated Earnings During Military Service."

Complete the SF-2803 and return it to Personnel; send the "Estimated Earnings" form to your appropriate Military Finance Office. When they return it to you, send it to Personnel, they will calculate the payment due and notify you of payment methods.

**VARIABLE INTEREST RATES  
CIVILIAN DEPOSIT/REDEPOSIT  
POST-1956 MILITARY PURCHASE**

<b>1984</b>	<b>3.000%</b>
<b>1985</b>	<b>13.000%</b>
<b>1986</b>	<b>11.125%</b>
<b>1987</b>	<b>9.000%</b>
<b>1988</b>	<b>8.375%</b>
<b>1989</b>	<b>9.125%</b>
<b>1990</b>	<b>8.750%</b>
<b>1991</b>	<b>8.625%</b>
<b>1992</b>	<b>8.125%</b>
<b>1993</b>	<b>7.125%</b>
<b>1994</b>	<b>6.250%</b>
<b>1995</b>	<b>7.000%</b>
<b>1996</b>	<b>6.875%</b>
<b>1997</b>	<b>6.875%</b>
<b>1998</b>	<b>6.750%</b>
<b>1999</b>	<b>5.750%</b>
<b>2000</b>	<b>5.875%</b>
<b>2001</b>	<b>6.375%</b>
<b>2002</b>	<b>5.500%</b>
<b>2003</b>	<b>5.000%</b>
<b>2004</b>	<b>3.875%</b>
<b>2005</b>	<b>4.375%</b>
<b>2006</b>	<b>4.125%</b>
<b>2007</b>	<b>4.875%</b>
<b>2008</b>	<b>4.750%</b>
<b>2009</b>	<b>3.875%</b>
<b>2010</b>	<b>3.125%</b>
<b>2011</b>	<b>2.750%</b>
<b>2012</b>	<b>2.250%</b>
<b>2013</b>	<b>1.625%</b>
<b>2014</b>	<b>1.625%</b>
<b>2015</b>	<b>2.000%</b>

## THRIFT SAVINGS PLAN

The Thrift Savings Plan (TSP) is a **retirement** savings and investment plan for Federal employees.

It was established by Congress to provide Federal employees with the same savings and tax benefits that private corporations offer their employees.

TSP benefits are separate and distinct from annuities of the CSRS and FERS programs and Contribution Amounts are based on Employee Salary.

### CSRS and CSRS-OFFSET

No Government Contribution

No Government Match

Employee can contribute  
Up to \$18,000 in 2015

Tax Deferred

Tax **SHELTERED**

### FERS

Government contributes 1%  
automatically

Government matches:

First 3% of Employee Contribution  
Dollar for Dollar; next 2% of  
Employee Contribution \$.50 per  
Dollar contributed.

Employee can contribute  
Up to \$18,000 in 2015

Tax Deferred

Tax **SHELTERED**

**(P.L. 107-304 "Catch-up/over 50" allows \$6,000  
extra in 2015 via payroll deduction)**

## THRIFT SAVINGS PLAN INVESTMENTS

Investment Options:

**G Fund** (Government Securities)

**F Fund** (Fixed Income)

**C Fund** (Common Stock)

**L Fund** (Lifecycle)

**S Fund** (Small Cap)

**I Fund** (International)

The **G FUND (Government Securities Investment Fund)** is invested in special issues of U.S. Treasury Securities.

The **F FUND (Fixed Income Investment Fund)** is held in a separate account and managed to track the Barclays Capital U.S Aggregate Bond Index Fund

The **C FUND (Common Stock Investment Fund)** is held in a separate account and managed to fully replicate the S&P 500 Stock Index.

The **S FUND (Small Capitalization Stock Index Fund)** invests in a stock index that tracks the Dow Jones U.S. Completion Total Stock Market Index.

The **I FUND (International Stock Index Fund)** invests in a stock index fund that Fully replicates the Morgan Stanley Capital International Fund EAFE (Europe, Australasia, Far East) index.

**TOTAL TSP ASSETS (December 31, 2014) of \$440,000,000,000.**

**4.3 Million Participants**

### **NEWER FEATURES:**

- 1) Complete and Total Upgrade Allowing for Daily Valuation;
- 2) Quarterly Participant Statements

All Employees can do **INTERFUND TRANSFERS** (moving already contributed balances from one Fund to another) with a TSP-50. You may use a Paper TSP-50 from your Personnel office or the TSP website at ([www.TSP.gov](http://www.TSP.gov)); or do it Electronically at the TSP website; or call the Thriftline at 1-877-968-3778 (toll-free).

## C, F, G, S AND I FUND RETURNS

	<i>C FUND</i>	<i>F FUND</i>	<i>G FUND</i>	<i>S FUND</i>	<i>I FUND</i>
1988	11.84%	3.63%	8.81%		
1989	31.03%	13.89%	8.81%		
1990	<u>-03.15%</u>	8.00%	8.90%		
1991	30.77%	15.75%	8.15%		
1992	7.70%	7.20%	7.23%		
1993	10.13%	9.52%	6.14%		
1994	1.33%	<u>-2.96%</u>	7.22%		
1995	37.41%	18.31%	7.03%		
1996	22.85%	3.66%	6.76%		
1997	33.17%	9.60%	6.77%		
1998	28.44%	8.70%	5.74%		
1999	20.95%	<u>-0.85%</u>	5.99%		
2000	<u>-09.14%</u>	11.67%	6.42%		
2001	<u>-11.94%</u>	8.61%	5.39%		
2002	<u>-22.05%</u>	10.27%	5.00%	<u>-18.14%</u>	<u>-15.98%</u>
2003	28.54%	4.11%	4.11%	42.92%	37.94%
2004	10.82%	4.30%	4.30%	18.03%	20.00%
2005	4.96%	2.40%	4.49%	10.45%	13.63%
2006	15.79%	4.40%	4.93%	15.30%	26.32%
2007	5.54%	7.09%	4.87%	5.49%	11.43%
2008	<u>-36.99%</u>	5.45%	3.75%	<u>-38.32%</u>	<u>-42.43%</u>
2009	26.68%	5.99%	2.97%	34.85%	30.04%
2010	15.06%	6.71%	2.81%	29.06%	7.94%
2011	2.11%	7.89%	2.45%	<u>- 3.38%</u>	<u>-11.81%</u>
2012	16.07%	4.29%	1.47%	18.57%	18.62%
2013	32.45%	<u>-1.68%</u>	1.89%	38.35%	22.13%
2014	13.78%	6.73%	2.31%	7.80%	<u>-5.27%</u>

## THE MAGIC OF COMPOUNDING MARY AND MIKE

MARY (10% per annum interest)		MIKE (10% per annum interest)	
Year 1	\$2,000	Year 1	\$0
Year 2	\$2,000	Year 2	\$0
Year 3	\$2,000	Year 3	\$0
Year 4	\$2,000	Year 4	\$0
Year 5	\$2,000	Year 5	\$0
Year 6	\$2,000	Year 6	\$0
Year 7	\$2,000	Year 7	\$0
Year 8	\$2,000	Year 8	\$0
Year 9	\$0	Year 9	\$2,000
	\$0	Year 10	\$2,000
	\$0	Year 11	\$2,000
	\$0	Year 12	\$2,000
	\$0	Year 13	\$2,000
	\$0	Year 14	\$2,000
	\$0	Year 15	\$2,000
	\$0	Year 16	\$2,000
	\$0	Year 17	\$2,000
	\$0	Year 18	\$2,000
	\$0	Year 19	\$2,000
	\$0	Year 20	\$2,000
	\$0	Year 21	\$2,000
	\$0	Year 22	\$2,000
	\$0	Year 23	\$2,000
	\$0	Year 24	\$2,000
	\$0	Year 25	\$2,000
	\$0	Year 26	\$2,000
	\$0	Year 27	\$2,000
	\$0	Year 28	\$2,000
	\$0	Year 29	\$2,000
	\$0	Year 30	\$2,000
	\$0	Year 31	\$2,000
	\$0	Year 32	\$2,000
	\$0	Year 33	\$2,000
	\$0	Year 34	\$2,000
	\$0	Year 35	\$2,000
Year 36 – 40	\$0	36 – 40	<u>\$2,000 each year</u>
	<b>\$515,188</b>		<b>\$378,496</b>
	Mary invested \$16,000		Mike invested \$64,000

Her investment was \$48,000 less than Mike's, but she gains \$139,692 more than he does.

## **THRIFT SAVINGS PLAN LOAN PROGRAM**

You may Borrow from your TSP Account for:

- 1) **General Purposes:** Education, Medical, Etc. with No Documentation  
Repay the loan in 1 – 4 Years
- 2) **Primary Residence with Documentation**  
Repay in 1 – 15 Years

You can Withdraw from your TSP Account for:

- 1) **Financial Hardship** (with Documentation)
- 2) Take a **One-Time Single Payment** of all or part of your Account if you are over age 59 and one-half

**MINIMUM AMOUNT OF LOAN:** \$1,000

**MAXIMUM AMOUNT OF LOAN:** Limited to the equivalent of the Employee's Contributions to the Account.

**INTEREST RATE CHARGED:** Equals the G Fund rate in effect at the time the Loan is approved. The rate remains fixed and the interest you pay on the loan goes back into your **own** Account

### **REPAYMENT OF LOAN:**

- 1) Must be repaid through regular Payroll Allotments within an agreed-upon time.
- 2) It can be repaid at any time without penalty.
- 3) Failure to repay the loan by the time of any separation results in notification to the Internal Revenue Service of the unpaid portion as Distribution subject to Income Tax and a potential 10% Early Withdrawal Penalty.

## **THRIFT SAVINGS PLAN PAYOUTS AT SEPARATION**

**CSRS participants** are always vested in their own contributions and the earnings on their contributions.

**FERS participants** are always vested in their own contributions, the earnings on their contributions, the matching contributions their Agencies make and the earnings on those matching contributions. After 3 Years of service the Agency Automatic 1% is also fully vested.

**You may leave your contributions in the TSP after retirement, but must withdraw your account by:**

- 1) April 1 of the year following the year in which you turn 70½
- OR
- 2) April 1 of the year following the year in which you separate from Federal Service, **whichever is later.**

**You may take a single Partial Withdrawal and leave the rest to be taken out as follows at a later date:**

### **OPTIONS FOR WITHDRAWAL:**

- 1) **Transfer** your TSP account to your own Eligible Retirement Plan:
  - a) Individual Retirement Account (IRA)
  - b) Individual Retirement Annuity (other than an endowment contract)
  - c) A Qualified Pension, Profit-sharing, or Stock Bonus Plan
  - d) An Annuity Plan Described in Section 403(a) of the IRS Code

**Note: You Now Can Transfer or Rollover Your Payment into a “Roth” IRA and Distributions Paid to Spouses upon the Death of the Participant Can be Transferred or Rolled Over ONLY to an IRA**

- 2) Have the Thrift Board purchase a life annuity for you (with MetLife)
- 3) Receive your balance in a single payment (20% will be withheld for taxes)
- 4) Receive a series of equal payments (20% will be withheld for taxes if you choose less than 120 payments (10 years), **OR use a combination of Numbers 2, 3, and 4 as a “Mixed Withdrawal”.**

♥ Accounts of less than \$200 will be automatically cashed out.

**The TSP does not withhold for State, City, County, or other Local income tax.**

# THRIFT SAVINGS PLAN ANNUITIES

The Plan provides several **life annuity** choices. A **life annuity** is a monthly benefit paid to you for life. You can choose to receive equal monthly payments as long as you live or choose initially lower payments that increase each year.

Some choices also provide benefits for surviving spouses.

The Thrift Board has selected **Metropolitan Life Insurance Company** to provide annuity benefits.

## Single Life

1. Level Payments
  - ♥ with no additional features
  - ♥ with Cash Refund Feature
  - ♥ with 10-year Certain Feature
2. Increasing Payments
  - ♥ with no additional features
  - ♥ with Cash Refund Feature
  - ♥ with 10-year Certain Feature

## Joint Life with Spouse

3. Level Payments
  - ♥ 100% survivor annuity
  - ♥ 50% survivor annuity
  - ♥ 100% survivor annuity with Cash Refund Feature
  - ♥ 50% survivor annuity with Cash Refund Feature
4. Increasing Payments
  - ♥ 100% survivor annuity
  - ♥ 50% survivor annuity
  - ♥ 100% survivor annuity with Cash Refund Feature
  - ♥ 50% survivor annuity with Cash Refund Feature

## Joint Life with Other Survivors

Person with insurable interest cannot be more than 10 Years younger

5. Level Payments
  - ♥ 100% survivor annuity
  - ♥ 50% survivor annuity
  - ♥ 100% survivor annuity with Cash Refund Feature
  - ♥ 50% survivor annuity with Cash Refund Feature

# TSP TAX WITHHOLDING

For Withholding Purposes, TSP Payments are Classified as:

- |                                    |                          |
|------------------------------------|--------------------------|
| 1) Eligible Rollover Distributions | 2) Periodic Payments     |
|                                    | 3) Non-Periodic Payments |

## **ELIGIBLE ROLLOVER DISTRIBUTIONS (20% Tax Withholding)**

- A) Single Payment of the Entire TSP Account
  - B) An In-Service Withdrawal Payment
  - C) Automatic Cashout Payment (an Account that had less than \$3,500 in it)
  - D) Monthly Payments Where the Account is Expected to Be Paid Out in Less than 10 Years) (unless the IRS Life Expectancy Table is Used)
  - E) A Final Single Payment made After a Series of Monthly Payments
  - F) Late Contribution Payments to An Account that Has Closed
  - G) Death Benefits and Court Ordered Payments (Divorce cases)
- Avoid the Withholding by Asking for a Direct Transfer to Your IRA**

## **PERIODIC PAYMENTS (Withholding Based on Married-3, But You Can Adjust)**

- A) Monthly Payments Where the Account is Expected to be Paid Out in 10 Years or More
  - B) Monthly Payments Computed According to the IRS Life Expect. Table
- Note:** Payments You Receive from an Annuity that the TSP Purchases for you are also Periodic Payments. Your Annuity Provider (MetLife) will send you Withholding Information.

## **NON-PERIODIC PAYMENTS (10% Tax Withholding, But You Can Adjust)**

- A) Required Minimum Distributions Paid Either Separately or Together with an Eligible Rollover Distribution, a Transfer, or a TSP Annuity Purchase. This Would Occur Once Past 70 ½ and Separated from Federal Service.
- B) Minimum Distribution Payments Made to a Participant Who is also Receiving a Series of Monthly Payments. The First Payments Made During a Year will be considered the Minimum Distribution Payments for Tax Withholding Purposes Until the Required Minimum Distribution Amount for that Year is Reached. Subsequent Payments will be Treated as Either Eligible Rollover Distributions or Periodic Payments for Tax Withholding Purposes.
- C) Death Benefits Paid to Someone Other Than the Spouse
- D) Court Ordered Payments to Other than the Spouse, including Child Support

## FACTORS TO ESTIMATE TSP BALANCE

TSP Earning 4% Annual Rate of Return (Compounded Monthly)						
	1%	2%	3%	4%	5%	10%
Years						
5	.17	.28	.39	.47	.55	.83
10	.37	.61	.86	1.04	1.23	1.84
15	.62	1.03	1.44	1.74	2.05	3.08
20	.92	1.53	2.14	2.60	3.06	4.59

TSP Earning 7% Annual Rate of Return (Compounded Monthly)						
	1%	2%	3%	4%	5%	10%
Years						
5	.18	.30	.42	.51	.60	.90
10	.43	.72	1.01	1.23	1.44	2.17
15	.79	1.32	1.86	2.26	2.65	3.97
20	1.30	2.17	3.04	3.70	4.35	6.52

TSP Earning 10% Annual Rate of Return (Compounded Monthly)						
	1%	2%	3%	4%	5%	10%
Years						
5	.19	.32	.45	.55	.65	.97
10	.61	.86	1.20	1.45	1.71	2.57
15	1.04	1.73	2.42	2.94	3.46	5.19
20	1.90	3.17	4.44	5.39	6.34	9.51

*CSRS Employees contributing 3%, Use the 1% column.*

*CSRS Employees contributing 5%, Use the 2% column.*

## SAVINGS BOND INFORMATION

The latest United States Savings Bond and Notes Earnings Report and other useful information about U.S. Savings Bonds is now available at the **Bureau of Public Debt's Internet Home Page:**

[www.publicdebt.treas.gov](http://www.publicdebt.treas.gov)

You can download the **Savings Bond Wizard™**, an easy to use Program that lets you keep track of your Savings Bonds and value your portfolio.

**SERIES EE:** Sold at One-half of Their Face Value ( a \$100 Bond Costs \$50).

They Earn Interest for 30 Years, but are **Not Indexed to Inflation.**

Interest is Based on the Average Yield on Five Year Treasury Securities.

Earned Interest is Added to the Value Each Month and is Exempt from State and Local Taxes. Federal Tax can be Deferred until You Redeem the Bonds or They Stop Earning Interest.

**SERIES EE Denominations are: \$100, \$200, \$500, \$1,000; \$5,000 and \$10,000**

**SERIES I:** Sold at Their Face Value (a \$100 Bond Costs \$100)

Years They Grow in Value With **Inflation-Indexed Earnings** for up to 30

They Increase in Value Each Month and Interest is Compounded Semi-Annually

Earnings are Exempt from State and Local Taxes and Federal Taxes Can be Deferred until You Redeem the Bonds or They Stop Earning Interest

**Series I Denominations are: \$50, \$75, \$100, \$500, \$1,000; \$5,000 and \$10,000**

The Earnings Report which contains Rate and Yield information for Series E and EE Bonds and Savings Notes, is also available by mail from the Bureau of Public Debt by sending a postcard asking for "Earnings Report" to:

**Bureau of the Public Debt  
200 Third Street  
Parkersburg, WV 26106-1328**

## VOLUNTARY CONTRIBUTIONS

These are Optional Payments to the Civil Service Retirement Fund for the purpose of purchasing additional annuity.

They can be made **ONLY BY CSRS-covered EMPLOYEES** who have repaid previous Deposit and Refunded service and not withdrawn a Voluntary Contribution previously.

PROCEDURE: 1) Complete a SF-2804, Application to Make Voluntary Contributions;  
 2) Once approved, payments may be made in multiples of \$25;  
 3) The limit on Contributions is 10% of your Lifetime Earnings.

Contributions are Refundable at any time prior to Retirement (subject to a 10% tax penalty, if received earlier than age 59 and one-half). However, the penalty is not applied if you make your withdrawal shortly before Retirement and are at least 55 in the year of Retirement. Interest Earnings only are Taxable upon Refund.

<b>3.000% to 1984</b>			
<b>13.000% - 1985</b>	<b>8.125% - 1992</b>	<b>5.750% - 1999</b>	<b>4.125% - 2006</b>
<b>11.125% - 1986</b>	<b>7.125% - 1993</b>	<b>5.875% - 2000</b>	<b>4.875% - 2007</b>
<b>9.000% - 1987</b>	<b>6.250% - 1994</b>	<b>6.375% - 2001</b>	<b>4.750% - 2008</b>
<b>8.375% - 1988</b>	<b>7.000% - 1995</b>	<b>5.500% - 2002</b>	<b>3.875% - 2009</b>
<b>9.125% - 1989</b>	<b>6.875% - 1996</b>	<b>5.000% - 2003</b>	<b>3.125% - 2010</b>
<b>8.750% - 1990</b>	<b>6.875% - 1997</b>	<b>3.875% - 2004</b>	<b>2.750% - 2011</b>
<b>8.625% - 1991</b>	<b>6.750% - 1998</b>	<b>4.375% - 2005</b>	<b>2.250% - 2012</b>
			<b>1.625% - 2013</b>
			<b>1.625% - 2014</b>
			<b>2.000% - 2015</b>

Each \$100 in the Account buys \$7 of annual annuity plus a \$.20 bonus for each full year beyond age 55. The Additional Annuity is subject to Apportionment and Garnishment, but not Court-Ordered Survivor Benefits.

### **SURVIVOR ANNUITY UNDER VOL. CONTRIBUTIONS CAN BE COSTLY**

<u>If Survivor Is</u>	<u>Your Annuity is Reduced</u>
Older or up to 5 Years Younger	10 Percent
5 to 9 Years Younger	15 Percent
10 to 14 Years Younger	20 Percent
15 to 19 Years Younger	25 Percent
20 to 24 Years Younger	30 Percent
25 to 29 Years Younger	35 Percent
30 or More Years Younger	40 Percent

Upon your Death, your survivor receives one-half of your **REDUCED** Annuity.

## **COST OF LIVING ADJUSTMENTS**

### **CSRS ANNUITANT**

Eligible at retirement for the Full Percentage based on the Consumer Price Index (CPI)

### **FERS ANNUITANT**

None until age 62, if retiring based on age and service.

At age 62, the formula is CPI minus 1 if the CPI is 3% or More;  
2% if the CPI is between 2% and 3%;  
And Actual CPI if it is less than 2%.

### **PAST CSRS COLAs**

December 1987 – 4.2%	December 1996 – 2.9%	December 2005 – 4.1%
December 1988 – 4.0%	December 1997 – 2.1%	December 2006 – 3.3%
December 1989 – 4.7%	December 1998 – 1.3%	December 2007 – 2.3%
December 1990 – 5.4%	December 1999 – 2.4%	December 2008 – 5.8%
December 1991 – 3.7%	December 2000 – 3.5%	December 2009 – 0.0%
December 1992 – 3.0%	December 2001 – 2.6%	December 2010 – 0.0%
March 1994 – 2.6%	December 2002 – 1.4%	December 2011 – 3.6%
March 1995 – 2.8%	December 2003 – 2.1%	December 2012 – 1.7%
March 1996 – 2.6%	December 2004 – 2.7%	December 2013 – 1.5%
		December 2014 – 1.7%

### **COMBINED CSRS/FERS ANNUITANT**

CSRS rules apply to the CSRS component of the combined annuity;  
FERS rules apply to the FERS component of the combined annuity.

Cost of Living Adjustments (COLA) take effect on December 1 and appear in the January annuity check.

The initial COLA is pro-rated based on the number of months of annuity receipt during the CPI Review Period.

For Example: Your annuity commenced with the month of November, the last month of the CPI Review Period; you would receive 1/12<sup>th</sup> of the December 1 COLA in your January annuity check. The next year you would have been in receipt of annuity during all 12 months of the CPI Review Period, so you would receive the full COLA.

## **SURVIVOR BENEFITS (CSRS) DEATH BEFORE RETIREMENT**

If you had at least 18 months of Civilian Service subject to CSRS at the time of death, the following people may draw Survivor Benefits automatically:

**SPOUSE:** Must have been married to the employee for at least 9 Months at the time of Death, or

Be Parent to a Child of the Marriage.

(Accidental death waives the Length of Marriage requirement)

**FORMER SPOUSE:** Must have been married to the employee for at least 9 Months;

The Divorce must have occurred on or after May 7, 1985;

A Court Order issued after May 7, 1985 must Expressly Provide for payment of a Civil Service Survivor Annuity to the Former Spouse

**CHILDREN:** Must be Unmarried and

Under age 18, or

Under age 22, if a Full-time Student.

Any age if disabled before Age 18.

A Legally Adopted Child or one for whom a Petition of Adoption was filed by the Deceased is Eligible, as are Stepchildren who were dependent on the Deceased and Lived with Him or Her in a regular, Parent-Child relationship.

Recognized Natural Children are also Eligible.

**NOTE:** The Survivor receives the Survivor Annuity for the rest of their life, unless they remarry before age 55. If, however, the marriage was at least 30 years in length, the Survivor Annuity continues. If a Survivor Annuity does stop, it can be restarted by notifying OPM when the subsequent marriage ends by death or divorce.

**SURVIVOR BENEFITS (CSRS)  
DEATH BEFORE RETIREMENT  
PAYMENTS**

**SURVIVOR ANNUITY PAYABLE TO SPOUSE**

If the Employee had at least 22 Years of Service on the Date of Death:

The Surviving Spouse receives 55% of the Annuity which the Employee had earned at the time of death.

If the Employee had less than 22 Years of Service on the Date of Death:

The Surviving Spouse receives 55% of the Smaller of:

- 1) 40% of the Employee's High-3 Years of Salary Average  
OR
- 2) The Regular Annuity Obtained after increasing the Employee's Service by the Period of Time between the Date of Death and the Date he/she would have reached Age 60.  
PLUS  
Any Thrift Savings Plan benefits payable.

**SURVIVOR ANNUITY PAYABLE TO CHILDREN**

If the Spouse survives (One Living Parent) (Single Orphan)

Each Child receives the **Lesser** of:

- a) \$494 per Month, or
- b) \$1,484 per Month, Divided by the Total Number of Eligible Children

If no Spouse survives (No Living Parent) (Double Orphan)

Each Child receives the **Lesser** of:

- a) \$593 per Month, or
- b) \$1,781 per Month, Divided by the Total Number of Eligible Children

The Dollar figures are Indexed Each Year for Inflation

## **SURVIVOR BENEFITS (CSRS) DEATH AFTER RETIREMENT**

The Cost to the Employee is 2 ½ % of the First \$3,600 of Annuity (\$90)

PLUS

10% of the Difference Between \$3,600 and the Amount of Your Annuity Without Reduction for Survivor Benefit

Survivor Receives 55% of the Amount You Designated

### **Annuity of \$30,000**

<b>\$30,000 minus \$3,600 = \$26,400</b>	<b>Reduction of 2½% of \$3,600 = \$ 90</b>
	<b>10% of \$26,400 = <u>\$2,640</u></b>
	<b>\$2,730</b>
<b>Your Annuity = (\$30,000 minus \$2,730) = \$27,270 per Year</b>	
<b>Survivor Annuity = 55% of \$30,000 = \$16,500 Upon Your Death</b>	

### **ANYTHING LESS THAN FULL SURVIVOR BENEFITS WILL REQUIRE YOUR SPOUSE'S APPROVAL IN WRITING**

**If You are Married at Retirement and Do Not Provide Full Survivor Benefits, You will have 18 Months in Which to Change Your Mind.** If You Do Change Your Mind, You will be Billed for Past Reductions back to the Date of Retirement, Plus a Hefty Administrative Fee.

**If You are Single at Retirement and Marry Later, You will have 24 Months in Which to Choose a Survivor Annuity for Your New Spouse.** If You Do, You will be Billed for Past Reductions Back to the Date of Retirement (as if You had been Married then), Plus an Administrative Fee.

**If You and Your Spouse are Both Federal Employees, You may Each Draw Your Own Annuity, Plus Survivor Benefits from the Other.** If You were to Marry a Succession of Federal Employees, all of Whom Predeceased You, You Would Only be Entitled to the Highest Survivor Benefit Among Them.

The Most Important Thing to Keep in Mind is that **If There Is No Survivor Annuity And You, The Federal Employee Die First, Your Health Benefits Die With You.**

After Your Death, Health Benefits for Your Spouse Convey ONLY Through the Survivor Annuity.

## ALTERNATIVE FORM OF ANNUITY

The Alternative Form of Annuity is a Refund at Retirement of Your Retirement Contributions in Exchange for a Reduced Annuity with Tax Credits Equal to Your Retirement Contributions spread over an Actuarial Projection of Your Life Span.

It has been in effect Since June, 1986 when the 3-Year Recovery Rule ended.

**It is Available ONLY to:  
NON-DISABILITY RETIREMENT ELIGIBLES  
With  
TERMINAL ILLNESSES**

If You Meet the above Requirements, You Receive:

- 1) A Refund of Your Retirement Contributions
- 2) An Actuarial Reduction in Your Annuity for Life
- 3) Tax Credits Equal to Your Retirement Contributions Spread Over an Actuarial Projection of Your Life Span

The Rest of us Receive ONLY Tax Credits Spread over the Actuarial Projection of Our Life Span

### Retirements with NO Survivor Benefits

Age 55 and Under	Divide by 360
Age 56-60	Divide by 310
Age 61-65	Divide by 260
Age 66-70	Divide by 210
Age 71 and Over	Divide by 160

### Retirements with Survivor Benefits

If Ages Total 110 or Less	Divide by 410
If Ages Total 111-120	Divide by 360
If Ages Total 121-130	Divide by 310
If Ages Total 131-140	Divide by 260
If Ages Total Over 140	Divide by 210

**PRESENT VALUE FACTORS (CSRS)  
EFFECTIVE OCTOBER 1, 2014**

These Factors are used to Determine Annuity Reduction in the Cases of Redeposit Owed for Refunds Received Before October 1, 1990; Post-Retirement Marriages; and Alternative Form of Annuity

<b>Age at Retirement</b>	<b>Reduction Factor</b>		<b>Age at Retirement</b>	<b>Reduction Factor</b>
40	214.6		66	176.2
41	214.2		67	170.3
42	213.9		68	164.4
43	213.4		69	158.4
44	213.0		70	152.4
45	212.5		71	146.3
46	211.9		72	140.3
47	211.3		73	134.2
48	210.7		74	128.1
49	209.9		75	122.1
50	209.2		76	116.2
51	208.4		77	110.4
52	207.7		78	104.7
53	206.9		79	99.1
54	206.1		80	93.6
55	205.3		81	88.3
56	204.4		82	83.1
57	203.5		83	78.2
58	202.6		84	73.4
59	201.7		85	68.7
60	200.7		86	64.3
61	199.8		87	60.0
62	198.9		88	55.9
63	193.3		89	52.0
64	187.7		90	48.4
65	182.0		91 - 109	45.0 – 9.5

# FEDERAL EMPLOYEES GROUP LIFE INSURANCE DURING EMPLOYMENT

**BASIC INSURANCE - Your salary rounded to the Next Higher Thousand Plus \$2,000**

**Cost is \$.15 per Thousand per Pay Period**

## OPTION A (STANDARD) --- \$10,000 FACE VALUE

<u>AGE GROUP</u>	<u>BIWEEKLY</u>
UNDER AGE 35	\$0.30
AGE 35 THRU 39	\$0.40
AGE 40 THRU 44	\$0.60
AGE 45 THRU 49	\$0.90
AGE 50 THRU 54	\$1.40
AGE 55 THRU 59	\$2.70
AGE 60 AND OVER	\$6.00

## OPTION B (ADDITIONAL OPTIONAL) 1 thru 5 Times Salary Rounded to Next Higher Thousand

<u>AGE GROUP</u>	<u>BIWEEKLY PER \$1,000 OF COVERAGE</u>	
UNDER AGE 35	\$0.02	AGE 65-69 \$0.62
AGE 35 THRU 39	\$0.03	AGE 70-74 \$1.14
AGE 40 THRU 44	\$0.05	AGE 75-79 \$1.80
AGE 45 THRU 49	\$0.08	AGE 80 + \$2.40
AGE 50 THRU 54	\$0.13	
AGE 55 THRU 59	\$0.23	
AGE 60 AND OVER	\$0.52	

## OPTION C (FAMILY)      (1,2,3,4 or 5) x \$5,000 on Spouse (1,2,3,4 or 5) x \$2,500 on Children

<u>AGE GROUP</u>	<u>BIWEEKLY PER MULTIPLE</u>	
UNDER AGE 35	\$0.22	AGE 70-74 \$3.60
AGE 35 THRU 39	\$0.29	AGE 75-79 \$4.80
AGE 40 THRU 44	\$0.42	AGE 80 + \$6.60
AGE 45 THRU 49	\$0.63	
AGE 50 THRU 54	\$0.94	
AGE 55 THRU 59	\$1.52	
AGE 60 THRU 64	\$2.70	
AGE 65 THRU 69	\$3.14	

## FEDERAL EMPLOYEES GROUP LIFE INSURANCE AFTER RETIREMENT

### BASIC LIFE INSURANCE

May be Retained in Retirement if you have been Enrolled in **BASIC** for the 5 Years Immediately Preceding Retirement or Since Your First Opportunity to Enroll

#### CHOICE 1

75% Reduction

Reduces at age 65,  
or Retirement, if  
Later

Reduces by 2% per  
Month until it Reaches  
25% of Face Value

Cost is \$.3250/\$1000  
per Month until Age 65.  
Then it is free.

#### CHOICE 2

50% Reduction

Reduces at age 65,  
or Retirement, if  
Later

Reduces by 1% per  
Month until it Reaches  
50% of Face Value

Cost is \$.9650/\$1000  
per Month until Age 65.  
Then it will Cost \$.64 per  
\$1000 per Month until  
Death.

#### CHOICE 3

No Reduction

Never Reduces

Cost is \$2.2650 per  
\$1000 per Month  
until Age 65. Then  
it will cost \$1.94 per  
\$1000 per Month  
until Death.

### OPTION A (STANDARD) (\$10,000 FACE VALUE)

May be Retained in Retirement if you have been Enrolled in **OPTION A** for the 5 Years Immediately Preceding Retirement or Since Your First Opportunity to Enroll.

**Option A** Reduces at Age 65, or Retirement, if Later.

**Option A** Reduces by 2% per Month until it Reaches \$2,500

Cost is: \$5.85 per Month (Ages 55 – 59)

\$13.00 per Month (Ages 60 – 65)

# FEDERAL EMPLOYEES GROUP LIFE INSURANCE AFTER RETIREMENT

## OPTION B (MULTIPLES [1 – 5] OF SALARY)

May be Retained in Retirement if you have been Enrolled in **OPTION B** for the 5 Years Immediately Preceding Retirement or Since Your First Opportunity to Enroll

You may Retain the Highest Number of Multiples You Carried During the Last 5 Years

**Option B** Reduces at Age 65, or Retirement, if Later, by 2% per Month until it Reaches \$0, if you Do Not Elect to Continue it.

Cost is: \$0.498 per \$1000 per Month (Ages 55 – 59)  
\$1.127 per \$1000 per Month (Ages 60 – 64)  
\$1.343 per \$1000 per Month (Ages 65-69)  
\$2.470 per \$1000 per Month (Ages 70-74)  
\$3.900 per \$1000 per Month (Ages 75-79)  
\$5.200 per \$1000 per Month (Ages 80 +)

**YOU MAY NOW RETAIN  
OPTION B AND OPTION C  
AFTER AGE 65  
BY PAYING AN ADDITIONAL  
PREMIUM**

## OPTION C (FAMILY) SPOUSE AND CHILDREN

May be Retained in Retirement if you have been Enrolled in **OPTION C** for the 5 Years Immediately Preceding Retirement or Since Your First Opportunity to Enroll

**Option C** Reduces at age 65 or Retirement, if Later, by 2% per Month until it Reaches \$0, if you Do Not Elect to Continue it.

Cost is: \$3.29 per multiple per Month (Ages 55 – 59)  
\$5.85 per multiple per Month (Ages 60 – 64)  
\$6.80 per multiple per Month (Ages 65 – 69)  
\$7.80 per multiple per Month (Ages 70 – 74)  
\$10.40 per multiple per Month (Ages 75 – 79)  
\$14.30 per multiple per Month (Ages 80 +)





# FEDERAL EMPLOYEES GROUP LIFE INSURANCE

In the event of **Accidental Death**, FEGLI pays **DOUBLE** on **BASIC** and **OPTION A**, while you are **Working**.

**NO Double Indemnity** after Retirement.

While You are Employed, FEGLI also applies an **Age Multiplication Factor** to the **Basic Insurance if You Die Younger than Age 45**

<u>AGE</u>	<u>FACTOR</u>
35 OR LESS	2.0
36	1.9
37	1.8
38	1.7
39	1.6
40	1.5
41	1.4
42	1.3
43	1.2
44	1.1
45	1.0

## COMMON DISASTER CLAUSE

To Prevent Insurance Proceeds from going to the Estate in cases where Employee and Spouse Both Die within a Short Period of Each Other

On the **SF-2823, FEGLI Designation of Beneficiary** form, after Naming Your Designated Beneficiary (e.g. wife), add:

“if he (or she) survives me by at least **(1 to 30) days.**”

If Your Designated Beneficiary Dies Before the Specified Number of Days Elapses, the Insurance will be Paid According to the Natural Order of Precedence

## NATURAL ORDER OF PRECEDENCE

- 1) Widow or Widower
- 2) Children
- 3) Parents
- 4) Executor or Administrator of Estate
- 5) Any other Next of Kin Who are Entitled Under the laws of the Domicile of the Insured at the Time of Death

## **FEDERAL EMPLOYEES HEALTH BENEFITS DURING EMPLOYMENT**

The Federal Employees Health Benefits program (FEHB) Offers a Practical Way to help meet the Costs of Health Care.

### **The Program provides:**

- 1) A Choice of Plans and Options;
- 2) A Government contribution of up to 75% of the Cost of Your Premium;
- 3) Payments for Your Share of the Premium through Payroll Deduction
- 4) Immediate coverage from the Date of Enrollment without a Medical Examination or Restrictions because of Your Age or Condition;
- 5) The Opportunity for Temporary Continuation of Coverage (TCC) or Conversion to Nongroup Coverage if Your Enrollment ends or a Covered Family Member loses Eligibility for Coverage;
- 6) For Continued Protection for You and Your Eligible Family Members After Your Retirement and/or Death, if Certain Conditions are Met.
- 7) Premium Conversion – premiums are deducted before the application of taxes resulting in a lower taxable gross income each pay period.

**Open Seasons** are Conducted for 4 Weeks in **November** and **December** each Year with Effective Dates the Following **January**. **Enrollment and All Changes are Allowed.**

Other Events which Allow some Change include **Marriage, Birth of a Child, Divorce, Transfer Out of a Servicing Area, etc.**

### **PRE-ADMISSION CERTIFICATION**

Always Remember to Confirm that your Doctor has Checked with Your Plan before You are Admitted to the Hospital. Failure to do so Could Result in Reduced Benefits of \$500.

### **CLAIM DENIAL**

If you have a Claim Denied, You have the Right to Reconsideration by the Plan and upon a Second Denial can Appeal to the **Office of Personnel Management (OPM)** in Washington, D.C. Your Appeal must be Filed within 90 Days of the Plan's Second Denial.

It Should Include All Claim Forms, Bills, Receipts and Correspondence Related to the Claim. Include A Statement of Willingness to Allow the Release Of Medical Evidence to **OPM**, if necessary, and Mail it to:

**Office of Personnel Management  
Office of Insurance Programs  
P.O. Box 436  
Washington, D.C. 20044**

## **FEDERAL EMPLOYEES HEALTH BENEFITS AFTER RETIREMENT**

You May Retain the Federal Employees Health Benefits (FEHB) coverage in Retirement if You have been Enrolled for at least the 5 Years Immediately Preceding Retirement or Since Your First Opportunity to Enroll

The Federal Government will Continue to Pay its Share of the Premium at the **Same Rate** as it Does for Currently Employed Workers

As a Retiree, You will have the **Same Rights and Privileges** as Outlined for the Currently Employed Workforce.

**EXCEPT:** Retirees are not entitled to Premium Conversion (the pre-tax application of Health insurance premiums) nor can they reenter FEHB after opting out, for reasons other than enrollment in a Medicare-related gap plan.

Always Remember that Health Benefits Coverage for Your Spouse, after Your Death, Depends upon the Existence of a Retirement Survivor Annuity.

**If You Die Before Your Spouse and You Did Not Provide a Retirement Survivor Annuity for Them When You Retired, The Health Benefits Coverage will End With Your Death**

If Your Spouse has Good Current Health Coverage Through an Employer in the Private Sector and You are Carried as a Dependent on his or her Policy, You might want to Find Out What Sort of Benefits that Private Employer Provides for its Retirees and Their Families.

Oftentimes, the Private Employer will Eliminate the Spouse (you) upon Their Employee's Retirement, or will Reduce Significantly the Benefits Available to Both.

Since the Government Does Not Draw this Distinction Between Worker and Retiree, You May Wish to Enroll in an Inexpensive FEHB Plan, just to Establish Your FEHB Retention Through 5 Years of Coverage Preceding Retirement.

During any Open Season, then, or Upon Your Spouse's Retirement, if They Lose Their Coverage, You Can Bring Them Into FEHB as a Family Member, Paying the Same Premium as if They had been Covered Members all of Your Career.

**SOCIAL SECURITY LEGISLATION  
WINDFALL BENEFITS PROVISION  
WINDFALL ELIMINATION PROVISION**

**Affects:** Civil Service Retirees (and FERS Retirees who have at least 5 Years of CSRS Credit) WHEN they Become Eligible for Social Security

**Affects:** The Social Security Payment, not the Government Annuity.

**PURE FERS EMPLOYEES ARE NOT AFFECTED  
BY WINDFALL ELIMINATION PROVISION**

**The Social Security Formula for 2015 is:**

**90% of the First \$826 of Average Indexed Monthly Earnings (AIME), plus**

**32% of the Next \$4,154 of AIME, plus**

**15% of the AIME over \$4,980**

Most of us will end up receiving 40% of the First Bend Point (\$826 in 2015);

**HOWEVER**

If You have Substantially Covered Social Security Wages for 20 Years or More, the First Bend Point Percentages are Figured as Follows:

30 Years = 90%  
29 Years = 85%  
28 Years = 80%  
27 Years = 75%

26 Years = 70%  
25 Years = 65%  
24 Years = 60%  
23 Years = 55%

22 Years = 50%  
21 Years = 45%  
20 Years = 40%

# SOCIAL SECURITY LEGISLATION GOVERNMENT PENSION OFFSET PUBLIC PENSION OFFSET

**Affects:** The UNEARNED Social Security Benefits of a CSRS Retiree Who is Married to a Spouse Drawing Social Security

The UNEARNED Social Security Benefit, NOT the Civil Service Annuity

The UNEARNED Social Security Benefit by Reducing it by Two-Thirds of the Civil Service Pension Amount

**DOES NOT AFFECT:**

**PURE FERS RETIREES OR CSRS-OFFSET**

**FERS TRANSFERS** – If the Transfer Effective Date was No Later than the First Pay Period after June 30, 1988 (July 3, 1988)

**FERS TRANSFERS Effective after July 3, 1988,**  
If the Retiree Worked at Least 5 Years Under FERS

## EXAMPLES

Social Security Covered Worker  
Draws \$800 Earned Social Security

His Wife (at age 65) is Entitled to  
\$400 Unearned Social Security

She, however, has a Civil Service  
Annuity of \$900 per month

$2/3 \text{ of } \$900 = \$600$

\$400 Unearned Social Security  
-600 (2/3 of her \$900)  
0 Unearned Social Security

She, however, has a Civil Service  
Annuity of \$450 per month

$2/3 \text{ of } \$450 = \$300$

\$400 Unearned Social Security  
-300 (2/3 of her \$450)  
\$100 Unearned Social Security

## WEB PAGE REFERRALS

[www.opm.gov](http://www.opm.gov)

### **Office of Personnel Management**

Excellent Resource for All Questions Related to Your Status as A Federal Employee

Also has Calculators for Figuring Future Annuity and Life Insurance Coverages and Cost

[www.tsp.gov](http://www.tsp.gov)

### **Thrift Savings Plan**

Excellent Resource for All Questions Related to Your Thrift Savings Plan

Also has Calculators for Projecting Future TSP Balances And Allows Access to Your Account (with PIN #) To Transfer Funds and Check Balances

[www.ssa.gov](http://www.ssa.gov)

### **Social Security Administration**

Excellent Resource for Social Security Related Questions, Including Medicare

[www.publicdebt.treas.gov](http://www.publicdebt.treas.gov)

### **Savings Bonds**

Excellent Resource for Savings Bond Information

Also has Calculator for Recording and Figuring Interest on Currently Held Bonds

[www.narfe.org](http://www.narfe.org)

### **National Active and Retired Federal Employees**

Excellent Organization Devoted to the Federal Employee. All Can Join (Retired or Working) Tracks Legislation Which Affects Federal Employees and Lobbies for Feds

[www.fedweek.com](http://www.fedweek.com)

### **FedWeek Electronic Newsletter**

Free e-mail Delivery Every Wednesday Keeps You Aware of Current Federal Employment Activities and Benefits Legislation

## POINTS TO PONDER

Your Agency pays off your Annual Leave.  
You should see payment within 3 weeks.

Most Retirees receive their first Annuity Check 30 days after their Retirement date  
(assuming they are entitled to annuity for that previous month)

Annuity Checks are like paychecks (they follow the period of retirement they represent  
(April check for the month of March; July check for the month of June)

First Annuity Checks will be pro-rated (usually, 75-80% of final figure)

CSRS Retirees will receive 2-3 pro-rated checks; FERS Retirees will see  
5-6 of them. It takes longer to finally adjudicate a FERS annuity.

The Office of Personnel Management (OPM) will provide you with telephone numbers to  
use for the purpose of changing things like Federal and State withholding. Part of this is  
a Retiree Booklet that details all of your benefits as a Retiree (Life Insurance and Health  
Insurance coverage, etc.)

Because full annuity will not be available immediately, plan on setting aside 2-3 months  
of salary before your retirement date to assure continuation of capital to pay for bills.

Use the Retirement Checklist to prepare for this big event. Be sure you understand the  
effect of Civilian Deposit; Civilian Redeposit; Post-1955 Military Purchase, and  
especially, what you are doing with your Thrift Savings Plan and other financial  
investments.

Access the OPM Website to see what's going on, Before Retirement and After.

Consider joining the National Active and Retired Federal Employees organization  
(NARFE) to keep up-to-date with legislation that affects you. NARFE is for everyone,  
working or retired, so you can do it long before you actually retire.

Keep active, connected and happy. Always remember, you are much more than just that  
which surgeons can remove.

Never forget that you Retire To something, not From. What you Retire To may be a  
second career, a passion of the soul, more time for volunteering, but you don't just stop  
an engine that's been running full tilt for 40+ years.

And after all is said and done, consider the question, "*What if the hokey-pokey really is  
what it's all about?*" *Happy Planning, Happy Retirement, Happy Life!*

## GOVERNMENT ACRONYMS and FORM NUMBERS

### FEGLI – Federal Employees Group Life Insurance

SF 2818, Continuation of Life Insurance Coverage (after retirement)  
BASIC, value based on salary rounded to next higher thousand plus \$2,000  
OPTION A, (Standard), \$10,000 face value  
OPTION B, One to Five times Basic Salary  
OPTION C, Coverage for Spouse and Children  
SF 2823, Designation of Beneficiary

### FEHB – Federal Employees Health Benefits

SF 2809, Enrollment or Change Form

### CSRS – Civil Service Retirement System

SF 2801, Application for Immediate Retirement  
SF 2808, Designation of Beneficiary for Retirement Contributions

### FERS – Federal Employees Retirement System

SF 3107, Application for Immediate Retirement  
SF 3102, Designation of Beneficiary for Retirement Contributions

### TSP – Thrift Savings Plan

TSP-1, Enrollment or Change Form  
TSP-3, Designation of Beneficiary  
TSP-30, Interfund Transfer Request

### SSA – Social Security Administration

WEP - Windfall Elimination Provision  
PPO - Public Pension Offset, sometimes GPO – Government Pension Offset  
QCs – Quarters of Coverage, now called Credits  
AIME – Average Indexed Monthly Earnings  
PIA – Primary Insurance Amount

### Designation of Beneficiary for Unpaid Compensation

(Payment for Last Salary Check and Annual Leave in the event of Employee Death in Service). Form number varies from Department to Department.

## **DIVORCE APPORTIONMENT**

Benefits from Retirement and the Thrift Savings Plan can be Attached through a Divorce Settlement. Life Insurance Proceeds can be Affected through Assignment.

**Apportionment Simply Means that after Your Retirement a Portion of Your Annuity Can be Required to be Sent to Your Former Spouse.**

By Law, the Office of Personnel Management (OPM) **Must Honor a Court Order**

Your Attorneys can Explore Alternatives to the Apportionment (e.g. Buyouts), if You Do Not Want Your Benefits Affected.

The Controllor is the Language of the Court Order Granting the Divorce.

If it Provides for Apportionment, Then Your Former Spouse will Receive a Portion of Your Retirement Annuity when You Retire.

**CSRS or CSRS-OFFSET or FERS  
Public Law 95-366  
September 15, 1978**

### **“Handbook for Attorneys on Court Ordered Benefits”**

Now available only on the Internet at  
[www.opm.gov/retire/pubs/pamphlets/list.asp](http://www.opm.gov/retire/pubs/pamphlets/list.asp)

OPM Must Divide Annuity Benefits to the Extent Expressly Provided for in the Terms of

- 1) Any Decree of Divorce
- 2) Annulment, or
- 3) Legal Separation, or
- 4) Any Court Order or Court Approved Property Settlement Agreement Incident to any Court Decree of Divorce, Annulment, or Legal Separation

## **DIVORCE SPOUSE EQUITY (SURVIVOR)**

Benefits from Retirement and the Thrift Savings Plan can be Attached through a Divorce Settlement. Life Insurance Proceeds can be Affected through Assignment.

**Spouse Equity (Survivor) Simply Means that Upon Your Death an Annuity Benefit Can be Required to be Sent to Your Former Spouse.**

By Law, the Office of Personnel Management (OPM) **Must Honor a Court Order.**

Your Attorneys can Explore Alternatives to the Survivor Annuity (e.g. Buyouts), if You Do Not Want Your Benefits Affected.

The Controller is the Language of the Court Order Granting the Divorce.

If it Provides for Survivor Benefits, then Your Former Spouse will Receive Survivor Benefits Upon Your Death.

<b>CSRS or CSRS-OFFSET or FERS Public Law 98-615 November 8, 1984</b>
---

### **“Handbook for Attorney on Court Ordered Benefits”**

Now available only on the Internet at  
**[www.opm.gov/retire/pubs/pamphlets/list.asp](http://www.opm.gov/retire/pubs/pamphlets/list.asp)**

In Addition to the Court Order Controlling Disposition of the Survivor Benefits, the Following Conditions Must Also be Met:

- 1) The former Spouse Must have been Married at Least 9 Months to the Individual Who Performed at Least 18 Months of Creditable Service Under the Retirement System;
- 2) The Marriage was Dissolved Before the Death of the Federal Employee;
- 3) After the Dissolution, the Former Spouse has not Remarried Before Age 55;
- 4) And The Federal Employee Predeceases the Former Spouse.

In Court Settlements Providing for Apportionment and/or Survivor Benefits, Former Spouses are now entitled to **Group FEHB Health Coverage** at the Combined Cost of the Employee’s Contribution, Employer’s Contribution and a Small Administrative Charge.

## **LONG TERM CARE INSURANCE FOR THE FEDERAL FAMILY**

**FOR: Employees** and their spouses, adult children (including adopted and stepchildren), and their parents, parents-in-law and stepparents.  
**Annuitants**, their spouses and adult children (including adopted and stepchildren)

**CHOICES: Maximum Benefit** (Daily or Weekly)  
**Length of Policy** (3-year, 5-year or Lifetime)  
**Waiting Period** (90-day or 30-day)  
**Type of Inflation Protection** (Compound or Future Purchase)

**BENEFIT LEVELS: Institutional Care** (Nursing Home, Assisted Living, Hospice Care) (100% rate)  
**Home Care** (Home Health Care, Adult Day Care) (75% rate)

**PREMIUMS:** Based on age at time you buy the insurance

Based on choices you make from **Maximum Benefit; Length of Policy; Waiting Period; Type of Inflation Protection.**

**You will pay 100%** of the premium with OPM hoping to negotiate a 15-20% discount based on the size of the "Federal Family". OPM as the employer-sponsor would assure policy evolution as long-term care services change. What you buy today will still be contemporary contemporary 30 years from now.

**Premiums are the same for employee and annuitant** at any given age.

**BENEFITS START:** When you satisfy your waiting period; and  
Cannot perform 2 of the 6 Activities of Daily Living for 90 days or More, (Eating, Bathing, Dressing, Toileting, Moving, Bladder/Bowel Control) or;  
You have a severe cognitive impairment (Alzheimer's Disease).

No premiums to pay while receiving benefits

**TAX TREATMENT:** Benefits received are not taxable and premium costs exceeding 7.5% of Adjusted Gross Income are tax deductible. Congress is considering making them fully deductible. Some states already provide State tax deductibility.

**UNDERWRITING:** **Short-form** for employees and spouses with several general health-related questions.  
**Full for everyone else** with numerous health-related questions, a review of medical records and/or a personal interview.

**INSURERS:** are LTC Partners team of **MetLife and John Hancock**

# CHECKLIST FOR EMPLOYEES PREPARING TO RETIRE

Put an X by the Statements that Apply to You, Write in the Answers to Relevant Questions, and Check Off Pertinent Items when Completed. This is Your Personal Retirement Planning Worksheet

## One Year or More Before Retirement

- 1) Determine when you will meet the age and service requirements for retirement. \_\_\_\_\_
  
- 2) Choose a retirement date. If separating under "MRA + 10" provisions (with age reduction), decide whether you wish to apply for annuity at separation or later to minimize or avoid reduction for age. \_\_\_\_\_
  
- 3) Make an appointment, if possible, with a retirement counselor in your Personnel Office to review your Official Personnel Folder (OPF). \_\_\_\_\_
  
- 4) Together with your counselor, review your OPF and work with your counselor to complete the SF-2801-1 to assure official documentation of the following and to determine that the records in the OPF are sufficient verification of service for retirement purposes:
  - a) A record of each of the periods of service you believe you had. \_\_\_\_\_
  
  - b) The beginning and ending dates for each period of service. \_\_\_\_\_
  
  - c) Effective dates for each promotion, for within-grade-increases, or for other pay changes during any Federal Service for which retirement deductions were not withheld from your salary or service that might fall into your High-3 average salary period. (If all pay changes during Deposit service are not available, total earnings can be used. \_\_\_\_\_
  
  - d) Documentation of your tour of duty (60 hours/pay period, for example during any regular part-time appointment during (1) Deposit service, (2) service taking place on or after April 7, 1986, or (3) any other service that might fall into your High-3 average salary period). For cases that receive credit as FERS service only, documentation of ALL tours of duty during any regular part-time appointments. \_\_\_\_\_

## CHECKLIST

- e) Record of the time you actually worked during intermittent or WAE (“when actually employed”) \_\_\_\_\_
  
- f) Copy of both sides of your military discharge paper and/or Your DD 214, Military Discharge, record of military service. \_\_\_\_\_
  
- g) Record of your current Federal Health Benefits enrollment on SF 2809, Health Benefits Registration Form, and SF 2810, Notice of Change in Health Benefits Enrollment. Do records show you have been covered long enough to allow you to continue health benefits as a retiree? If you were covered under your spouse’s enrollment, or were covered by CHAMPUS, do the records show this? \_\_\_\_\_
  
- h) Record of your current Federal Life Insurance coverage on SF 2817, Life Insurance Election. Do records show you have been covered long enough to allow you continue basic and optional coverages as a retiree? \_\_\_\_\_
  
- i) Your Designation of Beneficiary for Life Insurance (SF 2823) And Designation of Beneficiary for Retirement Contributions (SF 3102), if you filed either form, showing the person(s) you currently want designated. \_\_\_\_\_

NOTE 1: If you are in CSRS, your SF 2808, Designation for CSRS Retirement Contributions, is at OPM.

NOTE 2: If you transferred to FERS, any SF 2808 is no longer valid. You should complete a new SF 3102 if you have not already done so.

NOTE 3: The Designation for TSP, TSP-3, is retained at the TSP Service Office in New Orleans, Louisiana. You should have personal copies of all of these With your personal papers at home.

- 5) If you have a question concerning the creditability of a period of your Service, ask for verification from the person assisting you. \_\_\_\_\_
  
- 6) If any necessary documentation is missing from the OPF, bring it to the attention of the person assisting you and request that the Personnel Office obtain the documentation. \_\_\_\_\_

## CHECKLIST

- 7) Ask for information from Social Security Administration (SSA) about your future eligibility for Social Security benefits and an estimate of the amount. Call 1-800-772-1213 at Social Security for form SSA-7004-PC. You can also use the SSA Website ([www.ssa.gov](http://www.ssa.gov)) and SSA has begun sending yearly notices. \_\_\_\_\_
- ♥ As soon as you are within 2 to 3 months of age 62 (before or after retiring), contact SSA right away to decide when to apply for benefits. \_\_\_\_\_
- 8) Determine if the Social Security Windfall Elimination Provision (WEP) or the Government Pension Offset (GPO) affects any Social security benefits expected. \_\_\_\_\_
- 9) Request estimated annuity computations at this time if decisions need to be made on paying Deposit or Waiving Military Retired Pay. \_\_\_\_\_
- 10) Decide whether to waive Military Retired Pay, if applicable. \_\_\_\_\_
- 11) Deposits/Redeposits. Apply to make Deposits for:
- ♥ Post-1956 Military Service (to Agency) \_\_\_\_\_
  - ♥ Redeposit (refunded) service (to OPM); find out how certain refunded service will be credited if you do not pay the Redeposit. This may affect your decision whether or not to pay the Redeposit. \_\_\_\_\_
  - ♥ Deposit service (to OPM); find out how service will be credited if you do not pay the Deposit. This may affect your decision whether or not to pay the Deposit. \_\_\_\_\_
- 12) Decide when and how to receive your Thrift Savings Plan Funds. Arrange to pay off any TSP loans before retirement to avoid delay in receipt of TSP distributions. \_\_\_\_\_

TSP is managed by the Thrift Savings Board, not OPM. Questions about TSP payments should be addressed to:

**Thrift Savings Plan Service Office**  
**National Finance Center P.O. Box 61500**  
**New Orleans, LA 70161-1500**

## CHECKLIST

13) Request information about any pension from non-civil service employment (pension) for which you might be eligible. (Will it affect your FERS or CSRS pension in any way?) \_\_\_\_\_

14) Do you receive any OWCP benefits? If you receive OWCP benefits, request information about their impact on your annuity. \_\_\_\_\_

### **Six Months Before Retirement**

15) Decide when to send Waiver of Military Retired Pay. \_\_\_\_\_

♥ Send the Military Finance Center your Waiver of Military Retired Pay 60 to 90 days before your Retirement. \_\_\_\_\_

16) Clear up any financial indebtedness to your Agency. If you don't, your Agency can ask OPM to withhold the debt from your annuity. \_\_\_\_\_

17) Inform your supervisor of your proposed retirement date. \_\_\_\_\_

18) Ask your Personnel Office for forms that may require additional study and time to complete. \_\_\_\_\_

### **Two Months Before Retirement**

**FERS Forms** – basic package of retirement forms for the employee to complete. \_\_\_\_\_

**SF 3107** Application for Immediate Retirement

**SF 3107-2** Spouse's Consent to Survivor Election. (Only required if you do not elect the full survivor benefit for your current spouse)

**SF 2818** Continuation of Life Insurance Coverage

**SF 2817** If you do **NOT** want to continue all your Optional Life Insurance into retirement, you should complete this form. The **SF 2818** **CANNOT** be used to cancel life insurance.

**TSP** Forms necessary for election of Thrift Savings Plan disbursements.

## CHECKLIST

**CSRS Forms** – basic package of retirement forms for the employee to complete. \_\_\_\_\_

**SF 2801** Application for Immediate Retirement

**SF 2801-2** Spouse's Consent to Survivor Election. (Only required if you do not elect the full survivor benefit for your Current Spouse)

**SF 2801-3** Election of Former Spouse Survivor Annuity or Combination Current/Former Spouse Survivor Annuity. (Only required if you wish to make this type of election)

**SF 2818** Continuation of Life Insurance Coverage

**SF 2817** If you do **NOT** want to continue all your Optional Life Insurance into retirement, you should complete this form. The **SF 2818 CANNOT** be used to cancel life insurance.

**TSP** Forms necessary for election of TSP disbursements

**RI 38-124** Voluntary Contributions Election. (Only required if you want a refund of your voluntary contributions)

19) Complete the EFT Information/Certification Letter for Direct Deposit Sign-up or request from your bank or financial institution a Direct Deposit Sign-up Form (**SF 1199A**). Either of these forms should be submitted with your retirement application. Follow your Agency's lead here, as there are some variations on this process.

20) Complete/Sign the Retirement Application and all related forms.

21) Submit all forms and required documents to your supervisor/administrative officer/Personnel Office. (Keep a copy for personal reference.) \_\_\_\_\_

### **When Your Personnel Office Notifies You**

22) Review and sign SF 3107-1 or SF 2801-1, Certified Summary of Federal Service, that the Personnel Office has prepared. \_\_\_\_\_

23) Complete all customary Agency exit procedures. \_\_\_\_\_

**After You Retire** send TSP forms directly to TSP Office.

# **CHECKLIST**

## **HEALTH AND LIFE INSURANCE COVERAGE**

1. What Federal Employees Health Benefits (FEHB) coverage do I currently hold?

Plan Name \_\_\_\_\_

Enrollment (Self Only/Family) \_\_\_\_\_

Option (High/Low) \_\_\_\_\_

2. Am I eligible to continue my Federal Employee Health Benefits coverage as an annuitant? If not, am I eligible for Temporary Continuation of Coverage (TCC)?
3. Am I presently covered as a family member on my spouse's FEHB plan? Should I retain that coverage?
4. Am I presently covered by any other health benefits plan? Should I retain that coverage?
5. Are family members covered by my FEHB plan? Will they be adequately protected by other plans if I change my enrollment to Self Only coverage?
6. What is the monthly premium for my current coverage? \$ \_\_\_\_\_
7. Am I familiar with the features of my current plan? Should I switch to another plan during Open Season?
8. Am I eligible for Medicare at this time? What effect will Medicare have on my current coverage?
9. If I move out of the area covered by my HMO (or other limited service area plan), what do I need to do to change from one HMO to another plan servicing the new area?

## CHECKLIST HEALTH AND LIFE INSURANCE COVERAGE

10. What Federal Employees Group Life Insurance (FEGLI) coverage do I currently have?

**Basic** – Amount of Coverage \$ \_\_\_\_\_

**Option A** – Standard – Amount of Coverage \$ \_\_\_\_\_

**Option B** – Additional

How many multiples of pay? 1 2 3 4 5

Amount of Coverage \$ \_\_\_\_\_

**Option C** – Family

Spouse -- 1 2 3 4 5 (times \$5,000) = \$ \_\_\_\_\_

Each Child -- 1 2 3 4 5 (times \$2,500) = \$ \_\_\_\_\_

11. Am I eligible to continue my Basic Life Insurance coverage as an annuitant?  
Am I eligible to continue my Optional Insurance (A, B, C) as an annuitant?

12. Have I decided what level of post age 65 Basic coverage I want? (see SF 2818, Continuation of Life Insurance Coverage, for Basic Life Insurance; includes election Regarding amount of post-retirement Basic life insurance). Do I want to retain Option B after age 65? If you wish to convert any coverage, use SF 2819, Notice of Conversion Privilege, to apply for conversion (no medical examination is required).

13. Do I have enough monthly annuity to pay for all my health benefits and life insurance premiums?

14. Do I want to cancel some of my coverage at retirement? (Use SF 2817, Life Insurance Election, to cancel life insurance options). Ask your retirement counselor or Agency representative to explain what happens and what effect it has when you carry all of your optional insurance into retirement.