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NITP
National Institute of
Transition Planning, Inc.

BENEFITS, FINANCIAL AND RETIREMENT TRAINING FOR FEDERAL EMPLOYEES AT ALL CAREER STAGES

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Federal Retirement Benefits

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Module 1

Retirement Benefits

OPENING

CSRS/FERS

Are you prepared for your retirement?

Can you answer these questions?

- When can I retire?
- How much money will I receive?
- Will my dependents be protected when I die?
- Will I have insurance?

Preparing for retirement involves careful planning of these sources of financial security:

- Retirement Benefit
- Social Security
- Thrift Savings Plan (TSP)
- Insurance

Notes:

INTRODUCTION

CSRS/FERS

The purpose of this module is to provide an understanding of the steps to take toward a smooth transition from Federal service into retirement.

The steps for planning your retirement benefit are:

- Step 1: Determine when you are eligible to receive a retirement benefit
- Step 2: Determine your creditable service for retirement
- Step 3: Determine your basic retirement benefit
- Step 4: Consider survivor benefits
- Step 5: Retirement Processing

Notes:

The Federal Retirement Systems

CSRS/FERS

Most Federal employees contribute to and are covered under either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). In some situations, employees may be covered by components of both systems.

This system . . .	Covers Federal employees who were . . .
CSRS	Generally, hired prior to 1984 and have had no breaks in service since that time.
CSRS-Offset	Generally, rehired after 12/31/83 with more than a 1-year break in service and at least 5 years of creditable civilian Federal service by the end of 1986.
FERS	Generally, first hired after 12/31/83.
FERS-RAE and FERS-FRAE	<p>FERS-RAE (Revised Annuity Employees) is a version of FERS for new employees hired in 2013 (or rehired with fewer than 5 years of creditable or potentially creditable service).</p> <p>FERS-FRAE (Further Revised Annuity Employees) is a version of FERS for employees hired after 2013 (or rehired with fewer than 5 years of creditable or potentially creditable service).</p> <ul style="list-style-type: none"> • NEW employees will pay higher employee contributions • NEW Members of Congress and Congressional employees will pay the higher contributions AND will receive the same retirement benefits as regular employees
TransFERS	<p>Covered by CSRS and elected to transfer to FERS during one of two open seasons that were held:</p> <ul style="list-style-type: none"> • July 1, 1987 – June 30, 1988 • July 1, 1998 – December 31, 1998 <p>Or who were...</p> <p>Rehired after 12/31/83 and:</p> <ul style="list-style-type: none"> • Were not automatically covered by FERS (5 years or more prior service covered by CSRS); • Had a service break of more than 3 days; and • Elected to transfer to FERS within 6 months of being rehired

Notes:

STEP 1: Determine When You Are Eligible to Receive a Retirement Benefit

CSRS/FERS

Factors used to determine eligibility are:

- Your retirement system
- Your retirement options
- Your age and years of creditable service

FERCCA

The Federal Erroneous Retirement Coverage Corrections Act (FERCCA) legislation was designed to provide relief to Federal civilian employees who were placed in the wrong retirement system for at least three years of service after December 31, 1986. If you think you are in the wrong retirement plan, contact your Human Resources office at your agency as soon as possible. Your HR office is empowered to make retirement coverage determinations and, where errors are found, apply the appropriate rules and procedures to correct them. If you are already retired and believe your retirement coverage is incorrect, you should consult the FERCCA retirement FAQs at <https://www.opm.gov/faqs/topic/retire/>

FERS Employee and Agency Costs for Federal Benefits

Employee Annual Pay Rate: \$55,924
GS 7-1 Washington – Baltimore area Locality Area (2024)

Benefits	Employee Cost (Annual 2024)	Agency Cost (Annual 2024)
FERS [after 2014]	\$2,461	\$10,290
Social Security	\$3,467	\$3,467
TSP [5%]	\$2,796	\$2,796
Medicare Part A	\$811	\$811
FEHB BC/BS Basic Self Only 111	\$2,490	\$7,057
FEGLI Basic [\$58,000]	\$241	\$120
Total	\$12,266	\$24,541

Notes:

Employee and Agency Contributions**CSRS/FERS**

Both the employee and the agency contribute to the employee's retirement financial support. There are three main sources:

- The Civil Service Retirement and Disability Fund (CSRDF)
- Social Security – Federal Insurance Contributions Act (FICA)
- The Thrift Savings Plan (TSP)

The amount the employee and agency contribute depends on the employee's retirement system.

Employee and Agency Contributions to Sources of Retirement Funds			
Source	Retirement System		
	CSRS	CSRS-Offset	FERS, FERS-RAE, FERS-FRAE and TransFERS
CSRDF	Employees contribute 7% of their base pay.* The agency matches their contribution.	Employees contribute 7% of their base pay.* The agency matches their contribution.	FERS and TransFERS Employees contribute 0.8% (FERS-RAE 3.1%, FERS-FRAE 4.4%) of their base pay.* The agency contributes a significantly higher amount than employees to fully cover the cost of the benefit.
Social Security	Employees make no FICA contribution and are not eligible for benefits through their Federal service.	A portion of the CSRDF contribution is transferred to Social Security (6.2% of wages up to the yearly wage limit). The agency pays the matching employer share of this tax.	Employees contribute 6.2% of wages up to the yearly wage limit. The agency pays the matching employer share of this tax.
TSP	Employees may contribute up to the yearly IRS limit, but the agency does not contribute.	Employees may contribute up to the yearly IRS limit, but the agency does not contribute.	Employees may contribute up to the yearly IRS limit. They receive an automatic contribution from the agency equal to 1% of their basic pay and a match of up to 4% of their basic pay.

*Special groups such as law enforcement officers and firefighters under CSRS and CSRS-Offset contribute 7.5% to the CSRDF. Special groups under FERS and TransFERS generally contribute 1.3% (FERS-RAE 3.6% [hired 2013] and 4.9% [hired 2014 and later]).

Retirement Options

CSRS/FERS

Retirement Option	Description
Regular (Optional)	Retire with immediate benefits after meeting specific age and service requirements.
<p>Early</p> <ul style="list-style-type: none"> <li data-bbox="207 499 418 667">• Voluntary Early Retirement Authority (VERA) <li data-bbox="207 772 418 877">• Discontinued service (DSR) 	<p>The purpose of this option is to assist an agency in completing a major personnel or workload change with minimal disruption to the workforce. It does not matter whether they are facing involuntary separation, transfer to another commuting area, or an immediate reduction in the rate of basic pay. Their retirements create vacancies that can be filled by employees who would otherwise be separated or downgraded. The results of the use of a voluntary early retirement authority should, in most cases, reflect one employee saved from separation or demotion for each early retiree.</p> <p>A discontinued service or involuntary retirement provides an immediate, possibly reduced, annuity for employees who are separated against their will. Employees who are separated for cause on charges of misconduct or delinquency are not eligible for a discontinued service annuity.</p>
Disability	<p>Retire when a medical condition prevents an employee from being able to provide useful and efficient service in his or her current position.</p> <p>Disability retirement is considered a last resort and is appropriate only when reasonable efforts to preserve the person’s employment have failed. An employee may be eligible for both a disability retirement and Workers’ Compensation benefits if the disability is work-related.</p> <p>FERS and CSRS Offset employees must also apply for Social Security disability benefits even though they may not qualify.</p>
Special Provisions	<p>Law enforcement officers, air traffic controllers, firefighters, and Congressional employees must meet different age and service requirements than other Federal employees.</p> <p>Employees retiring under these special provisions are subject to mandatory retirement.</p>
Deferred Retirement	A former Federal employee may be eligible for a deferred annuity. Use OPM Form 1496A, Application for Deferred Retirement, to apply for CSRS and RI 92-19 for FERS, Applying for Deferred or Postponed Retirement.

CSRS Minimum Age and Service Requirements**CSRS**

A CSRS employee must meet the minimum age and service requirements to receive a retirement benefit.

Retirement Type		Age	Years of Creditable Service	Eligible for Continuation of FEHB, FEGLI and FEDVIP
Immediate	Voluntary/Optional	55	30	Yes, but must also meet the 5-year test for FEHB and FEGLI (see Module 3 for more information about insurance)
		60	20	
		62	5	
	Early*	50	20	
Any age		25		
	Disability	Any age	5	
	Special Provisions**	50 Any Age	20 25 (ATC only)	
Deferred Retirement	Deferred***	62	5	No

* When taking Voluntary Early Retirement or Discontinued Service Retirement, the benefits of employees who retired under the age of 55 will be reduced according to their age.

**Special Provisions retirees include law enforcement officers (LEOs), air traffic controllers (ATCs), and firefighters (FFs). LEOs and FFs are subject to mandatory retirement at age 57 or after completing 20 years of service covered by CSRS. ATCs are subject to mandatory retirement at age 56 or after completing 20 years of covered service.

***A deferred retirement is based on the amount of service at the time of separation, benefit payable at the corresponding age. Refund of retirement contributions will forfeit this benefit.

Notes:

FERS Minimum Age and Service Requirements	FERS
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A FERS employee must meet the minimum age and service requirements to receive a retirement benefit.

Retirement Option	Age	Years of Creditable Service	Eligible for Supplement	Eligible for Continuation of FEHB, FEGLI and FEDVIP	
Immediate (eligible for retirement within 31 days of separation)	Voluntary/ Optional	MRA*	30	Yes	Yes, but must also meet the 5-year test for FEHB and FEGLI (see Module 3 for more information about insurance)
		60	20	Yes	
		62	5	No	
		MRA (reduced or postponed)	10	No	
Early	50 Any age	20 25	At MRA At MRA		
Disability	Any age	18 months	No		
Special Provisions**	50 Any age	20 25	Yes Yes		
Deferred Based on amount of service at the time of separation, benefit payable at the corresponding age. Refund of retirement contributions will forfeit this benefit.	MRA	30	No	No	
	60	20	No	No	
	62	5	No	No	
	MRA (reduced or postponed)	10	No	No	

*The Minimum Retirement Age (MRA) for FERS employees is based on their year of birth. Refer to the following chart to determine your MRA.

Year of Birth	MRA	Year of Birth	MRA
Before 1948	55 years	1953–1964	56 years
1948	55 years, 2 months	1965	56 years, 2 months
1949	55 years, 4 months	1966	56 years, 4 months
1950	55 years, 6 months	1967	56 years, 6 months
1951	55 years, 8 months	1968	56 years, 8 months
1952	55 years, 10 months	1969	56 years, 10 months
		1970 and later	57 years

** Special Provisions retirees include law enforcement officers (LEOs), air traffic controllers (ATCs), and firefighters (FFs). LEOs and FFs are subject to mandatory retirement at age 57 or after completing 20 years of service covered by FERS. ATCs are subject to mandatory retirement at age 56 or after completing 20 years of covered service.

STEP 2: Determine Your Creditable Service for Retirement **CSRS/FERS**

Factors used to determine your creditable retirement service are:

- Your complete creditable service history
- Payment of a deposit or redeposit
- Waiving military retirement or payment of a military deposit

Standard Form 50

Standard Form 50
Rev. 7/91
U.S. Office of Personnel Management
FPM Supp. 296-33, Subch. 4

NOTIFICATION OF PERSONNEL ACTION

1. Name (Last, First, Middle)					2. Social Security Number			3. Date of Birth		4. Effective Date			
FIRST ACTION						SECOND ACTION							
5-A. Code					5-B. Nature of Action			6-A. Code		6-B. Nature of Action			
5-C. Code					5-D. Legal Authority			6-C. Code		6-D. Legal Authority			
5-E. Code					5-F. Legal Authority			6-E. Code		6-F. Legal Authority			
7. FROM: Position Title and Number						15. TO: Position Title and Number							
8. Pay Plan		9. Occ. Code	10. Grade or Level	11. Step or Rate	12. Total Salary		13. Pay Basis	16. Pay Plan	17. Occ. Code	18. Grade or Level	19. Step or Rate	20. Total Salary/Award	21. Pay Basis
12A. Basic Pay		12B. Locality Adj.		12C. Adj. Basic Pay	12D. Other Pay		20A. Basic Pay		20B. Locality Adj.		20C. Adj. Basic Pay	20D. Other Pay	
14. Name and Location of Position's Organization						22. Name and Location of Position's Organization							
EMPLOYEE DATA													
23. Veterans Preference						24. Tenure			25. Agency Use		26. Veterans Pref for RIF		
<input type="checkbox"/>	1 - None	3 - 10-Point/Disability		5 - 10-Point/Other		<input type="checkbox"/>	0 - None	2 - Conditional	<input type="checkbox"/>	YES	<input type="checkbox"/> NO		
<input type="checkbox"/>	2 - 5 Point	4 - 10-Point/Compensable		6 - 10-Point/Compensable/30%		<input type="checkbox"/>	1 - Permanent	3 - Indefinite					
27. FEGLI						28. Annuitant Indicator			29. Pay Rate Determinant				
30. Retirement Plan						31. Service Comp. Date (Leave)		32. Work Schedule		33. Part-Time Hours Per Biweekly Pay Period			
POSITION DATA													
34. Position Occupied				35. FLSA Category				36. Appropriation Code		37. Bargaining Unit Status			
<input type="checkbox"/>	1 - Competitive Service	3 - SES General		<input type="checkbox"/>	E - Exempt								
<input type="checkbox"/>	2 - Excepted Service	4 - SES Career		<input type="checkbox"/>	N - Nonexempt								
38. Duty Station Code				39. Duty Station (City - County - State or Overseas Location)									
40. AGENCY DATA		41.		42.		43.		44.					
45. Remarks													

Keep SF-50s that document the effective date of changes in work schedule, retirement plan, salary (for high-three computation), excess LWOP and FEGLI coverage.

Creditable Service

CSRS/FERS

The eOPF (electronic Official Personnel Folder) allows you to have access to personnel forms and information. Your eOPF (or paper OPF) contains records that establish your employment history (Standard Form 50, Notification of Personnel Action, military records), and documents your choices under Federal benefits programs (i.e. health benefits registration form; some designation of beneficiary forms). Contact the HR office within your agency for access to your records. It is a good idea to keep a “personal” personnel folder (electronic or paper) so you will have these records when you separate or retire from Federal service.

Creditable service for *retirement* may differ from creditable service for *leave accrual*. The service computation date in Block #31 on your SF-50 is the “leave” SCD which is used to determine 4, 6, or 8 hours of annual leave accrual.

When you request a retirement estimate, your Human Resources (HR) office will generally review your complete service history. It is important for you to request this review before your planned retirement so there will be no question of your eligibility for benefits when OPM processes your retirement claim. It is also important so that the amount of those benefits computed by OPM will match the estimate provided by your agency.

Generally, the following types of service are creditable under both CSRS and FERS. A change in work schedule may affect your retirement eligibility and/or computation of your benefit:

- Leave Without Pay (LWOP), suspension, furlough, absence without leave, or time while receiving Workers’ Compensation—credit is usually allowed for periods not exceeding a total of 6 months in any calendar year although military and Workers’ Compensation LWOP are not limited.
- Intermittent, seasonal, and When Actually Employed (WAE)—credit is given for the actual time worked (e.g., days, months, hours). If this service did not have retirement deductions withheld, there may be a need to pay a service credit deposit. This is a payment to the retirement fund that may affect how this service will be used for eligibility and/or computation of the retirement benefit.
- More than a 3-day break in service.
- A period of absence to perform military service—this service is treated as both military service and LWOP from a civilian position and may be creditable subject to the payment of a military service credit deposit.
- Part-time service refers to a work schedule between 16 – 32 hours per week on a prearranged schedule. Part-time service counts as full-time service for eligibility for retirement but the computation of the CSRS or FERS benefit is pro-rated. See pages 1-32-33 for explanation of part-time computations for CSRS and CSRS Offset and page 1-42 for FERS computation of part-time service.

NOTE: Refer to the CSRS and FERS Handbook for Personnel and Payroll Offices, Chapters 20–23, for more information. You can find this handbook at www.opm.gov under the Retirement Tab, Benefits Officers Center, Reference Materials, Handbooks.

Service Credit: Deposits and Redeposits**CSRS/FERS**

Service credit deposits and redeposits are optional payments made by an employee to the retirement fund that may affect eligibility for retirement and the calculation of the employee's retirement benefit. Your decision to pay or not pay a deposit or a redeposit depends on your answers to the following questions:

- How much do I owe?
- What is the effect on my retirement if I do not pay a service deposit?

General guidance is provided on the following pages; however, you should get specific guidance from your HR benefits specialist. Your benefits specialist can provide information regarding whether or not you have service that is subject to a service credit payment and can show you the impact the payment would have on your future retirement benefit.

- **Deposit:** CSRS and FERS civilian service deposits may be made for Federal service that was not covered by retirement deductions (e.g. temporary appointment, a summer job with a Federal agency, casual employment with the U.S. Post Office, WAE service). Under FERS, only such service performed prior to 1989 is subject to a deposit payment. Non-covered service performed after 1988 is not creditable under FERS. (An exception is for Peace Corps or VISTA volunteer service.) A FERS employee may make a deposit for refunded CSRS contributions if the service is now credited as FERS (generally refers to refunds of CSRS contributions for fewer than 5 years of service).
- **Redeposit:** Civilian service credit redeposit is a repayment of refunded CSRS and FERS contributions that may have been elected after a break in service. Refunded CSRS Offset service becomes FERS service regardless of when performed if the employee elects to transfer to FERS.
- **Military Service Deposit:** Post-56 military service credit deposits are payments made to the retirement fund for active duty military service performed after 12/31/56. This includes time spent at one of the service academies: Navy, Army, Air Force, or Coast Guard.

NOTE: Employees, who have transferred from CSRS to FERS with more than 5 years of service under CSRS, may use the CSRS rules for civilian and military service credit deposit and redeposit for crediting service performed prior to their transfer to FERS.

Contact the benefits specialist in your HR office for instructions on how to pay your unpaid deposits. You will need an *Application to Make a Deposit or Redeposit* (SF 2803 – CSRS) or an *Application to Make a Service Credit Payment* (SF 3108-FERS). These are available online at www.OPM.Gov/Forms. Your employer will need to complete a portion of this form.

Notes:

How Much Do I Owe?	CSRS/FERS
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	CSRS, CSRS Offset, CSRS Component of TransFERS	FERS, FERS-RAE, FERS-FRAE
Deposit	<p>Generally, 7% of the base pay earned during the non-deduction service (6.5% if performed between 11/1/56 and 12/31/69).</p> <p>Interest: Service performed prior to 10/1/82 is charged 3% interest, accrued daily and compounded annually through the date the deposit is paid or the commencement date of the retirement benefit, whichever is earlier.</p> <p>Interest: Service creditable under CSRS and performed on or after 10/1/82 and all FERS deposits are charged 3% interest, accrued daily and compounded annually through 12/31/84; after 1/1/85, interest is at a variable rate (see variable interest rate chart on the next page).</p>	<p>FERS employees may not pay a deposit for service not covered by retirement contributions if it was performed on or after 1/1/89.</p> <p>For service not covered by retirement contributions performed prior to 1/1/89 and for service covered by refunded CSRS contributions that is now creditable under FERS, the amount of the deposit will generally be 1.3% of base pay earned during the period of service for which the deposit is being made. The 1.3 % applies regardless of when the service was performed or whether deductions would have been 1.3 % if taken at the time the service was performed.</p>
Redeposit	<p>The amount of the refunded contributions received.</p> <p>Interest: If the refund application was received by OPM before 10/1/82, 3% interest is accrued daily and compounded annually through the date the redeposit is paid or until the commencement date of the retirement benefit, whichever is earlier.</p> <p>If the application was received after 9/30/82, 3% through 12/31/84 and a variable rate determined annually by the Department of Treasury beginning 1/1/85, compounded on December 31 of each year (see variable interest rate chart on the next page).</p>	

Notes:

How Much Do I Owe?**CSRS/FERS**

	CSRS, CSRS Offset and the CSRS Component of a TransFERS employee	FERS, FERS-RAE, FERS-FRAE
Post-56 Military Service Deposit	<p>7% of the military base pay for each period of active service (does not include allowances or combat pay).</p> <p>Interest: Employees hired prior to 10/1/82 had an interest-free grace period until 10/1/85, after which interest accrued and compounded annually at the variable interest rates shown in the chart below.</p> <p>For employees hired on or after 10/1/82, interest accrues the same as it does for FERS employees. See the next column.</p>	<p>3% of base pay for each period of military active service (does not include allowances or combat pay).</p> <p>Interest: 2-year interest-free grace period (or after discharge from the military if the military service interrupted the Federal civilian career) when hired, after which interest is accrued and compounded annually at the variable interest rates shown in the chart below.</p> <p>This also would apply to employees who had “interrupted” service during their civilian careers. For this period of military service, the employee still has a 2-year interest-free grace period.</p>

Variable Interest Rates					
1985	13.0%	1999	5.75%	2013	1.625%
1986	11.125%	2000	5.875%	2014	1.625%
1987	9.0%	2001	6.375%	2015	2.0%
1988	8.375%	2002	5.5%	2016	2.0%
1989	9.125%	2003	5.0%	2017	1.875%
1990	8.75%	2004	3.875%	2018	2.125%
1991	8.625%	2005	4.375%	2019	2.75%
1992	8.125%	2006	4.125%	2020	2.25%
1993	7.125%	2007	4.875%	2021	1.375%
1994	6.25%	2008	4.75%	2022	1.375%
1995	7.0%	2009	3.875%	2023	1.875%
1996	6.875%	2010	3.125%	2024	3.75%
1997	6.875%	2011	2.75%		
1998	6.75%	2012	2.25%		

Notes:

Should I Pay a Service Deposit? (CSRS)	CSRS
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For CSRS, CSRS Offset and CSRS Component of TransFERS:

Type of Service	Recommendation	Reasoning
<p>Post-56 military service for CSRS employees hired on or after 10/1/82 - deposit. See page 1-16 for information regarding employees eligible for military retirement.</p> <p>Peace Corps or VISTA service, regardless of when service was performed.</p>	Probably	<p>If you pay the deposit, this service will count towards eligibility and computation of your retirement benefit. Without payment, the service is not used for eligibility or computation.</p>
<p>Service ending on or after 3/1/91 that was covered by refunded CSRS contributions – redeposit.</p> <p>Service performed on or after 10/1/82 that was not subject to retirement deductions – deposit.</p>	Probably	<p>This service will count towards eligibility whether paid or not. If you pay the deposit or redeposit, the service will count towards computation of your retirement benefit. Remember, the amount that you owe is based on service performed earlier in your career at lower salaries and the computation of your retirement is based on your highest salaries near your retirement.</p>
<p>Service performed prior to 10/1/82 that was not subject to retirement deductions – deposit.</p>	Would not make much difference either way	<p>This service will count towards eligibility and computation of your retirement whether you pay for it or not. If you do not pay the deposit, your retirement will be reduced by a relatively small amount, 10% of the unpaid deposit.</p>
<p>Service that ended prior to 3/1/91 and was covered by refunded CSRS contributions – redeposit.</p>	Would not make much difference either way	<p>This service will count towards eligibility and computation of your retirement whether you pay the redeposit or not. An actuarial reduction will be applied to the benefit. See page 1-17 for an example.</p>
<p>Post-56 military service for employees hired prior to 10/1/82 – deposit.</p>	“Catch-62” – see column to the right	<p>This service will be credited towards eligibility whether you pay the deposit or not. This service will also count in the computation of your retirement, but <i>if you qualify for Social Security retirement when you retire from CSRS or when you turn age 62 (the later of the two), then the service is no longer credited in the computation of your retirement unless the deposit was made prior to retirement.</i></p>

Should I Pay a Service Deposit? (FERS)**FERS**

For FERS, FERS-RAE/FRAE, or FERS component of TransFERS:

Type of Service	Recommendation	Reasoning
<p>Service not covered by retirement contributions (prior to 1/1/89) or service covered by refunded CSRS contributions that is now creditable under FERS.</p> <p>Peace Corps or VISTA service, regardless of when service was performed.</p> <p>Post-56 military service (see the following page for information regarding employees eligible for military retirement).</p>	Probably	If you pay the deposit, this service will count towards eligibility and computation of your retirement benefit. Without payment, the service will count only towards leave accrual, not towards your future retirement benefit.
Service covered by refunded FERS contributions.	Probably	If the FERS refund is not paid, the service will be credited for eligibility, but it will not be credited in the annuity computation. If you pay the redeposit, the service will count towards computation of your retirement benefit. Remember, the amount that you owe is based on service performed earlier in your career at lower salaries and the computation of your retirement is based on your highest salaries near your retirement.
Service performed on or after 1/1/89 that was not covered by FERS retirement deductions.	You cannot pay a service deposit and service is not creditable towards eligibility or computation of your retirement benefit	

Military Service Deposit

CSRS/FERS

Military Retiree

When retiring from civilian service, military retirees have the option of waiving military retirement so that they may include their active service toward CSRS or FERS if it is more advantageous than keeping the military retirement separate from the civilian service benefit. There are two exceptions that allow military service to be counted under both CSRS and FERS without waiving the military retirement. These occur if the military retirement was awarded:

- On account of a service-connected disability incurred in combat or caused by an instrumentality of war
- Under the provisions of 10 U.S.C. 1223, which grants pay to members of reserve components of the Armed Forces on the basis of age and service (active reserve)

When you are within 2 or 3 years of retirement, request two retirement estimates: one based on only civilian service and a second one using the combined military and civilian service. If the combined benefit is more than keeping the military and civilian careers separate, then compute the military deposit and evaluate if the difference is worth the cost of paying the deposit.

NOTE: VA Benefits do **not** have to be waived when combining your military service with your Federal service.

Military Credit Service Deposit

After a period of military service that interrupted civilian service, an employee should consider paying the military deposit within 3 years of reemployment to avoid interest. Two factors determine the amount of the deposit. The deposit will be the lesser of these two amounts:

- The civilian retirement deposit that would have been paid on the civilian wages if the employee did not interrupt his or her civilian career for military service.
- The normal military deposit of 3 percent (FERS) or 7 percent (CSRS) based on the military basic pay.

An employee who uses military leave or annual leave to cover part of the period of separation will not owe a military service deposit for this period of time.

Determining the Amount of Military Basic Pay

You should contact your retirement specialist at your agency for instructions for completing and paying the military service credit deposit. For an overview of how to make the military service credit deposit along with links to associated forms and addresses, you may follow the instructions provided at www.dfas.mil (Civilian Employees, then click on "Military Service" and then "Military Service Deposits"). Keep in mind that these instructions were directed to Department of Defense civilian employees. The references to contacting "customer service" should be ignored unless DFAS is your payroll provider.

You will need a separate Estimated Earnings during Military Service request form, RI-20-97, for each branch of service, along with the Discharge from Active Duty form, DD 214. A list of documents that may be used to verify your service is on the DFAS Accepted Documents page.

CSRS Redeposit Computation

CSRS

The reduction to retirement for refunded CSRS contributions (for service that ended prior to 3/1/91) is based on the amount of the redeposit (refunded contributions plus interest) divided by the present value factor in the chart below using the employee's age on the date of retirement.

Present Value Factors (CSRS)			
Retirement Age	Present Value Factor	Retirement Age	Present Value Factor
45	362.5	61	248.9
46	355.9	62	241.3
47	349.3	63	233.6
48	342.6	64	225.9
49	335.9	65	218.2
50	329.2	66	210.5
51	322.3	67	202.7
52	315.4	68	195.0
53	308.4	69	187.4
54	301.3	70	179.7
55	294.1	71	172.1
56	286.7	72	164.6
57	279.1	73	157.1
58	271.6	74	149.7
59	264.1	75	142.4
60	256.5	76	135.1
Present Value Factors revised October 2023			

Example: Sara had a break in service and took a refund of her CSRS retirement contributions for a period of 10 years of service that ended in 1987. If Sara, now age 60, owes a refund of \$25,000 (the amount of the refunded contributions plus interest), her retirement benefit will be reduced by \$97.46 per month or \$1,169.59 per year. This was computed by dividing \$25,000 by 256.5 (the present value factor for age 60). The repayment of the refunded contributions does not affect the crediting of the refunded service towards eligibility or computation of Sara's retirement; however, she will have a permanent reduction of \$97.46/month applied to her retirement if the redeposit is not paid.

Consider this when deciding whether to pay a redeposit:

- \$25,000 invested at a 5% rate of return will earn \$1,250 year or \$104.16 / month. It may be possible to keep the money invested and earn as much in interest as the unpaid redeposit reduction.
- Once the redeposit is paid to OPM, there is no longer access to the principal, other than through the monthly increase to the retirement benefit.
- Redeposits can be partially paid to lessen the reduction to the retirement benefit while retaining some of the money for other use. The actuarial reduction will be based on the unpaid balance.

Voluntary Contributions Program – CSRS

CSRS

CSRS and CSRS-Offset employees may invest after-tax dollars in the retirement fund by setting up a Voluntary Contributions account using a Standard Form 2804. This investment earns a tax-deferred variable interest (page 1-13). You may contribute up to 10 percent of your total basic pay to Voluntary Contributions during your career or while your retirement is in process. Interest is compounded annually on December 31 and credited to each account and is deferred from tax until withdrawn. You may contact OPM at VoluntaryContributions@opm.gov or 888-767-6738 (hearing impaired consult www.opm.gov).

Interest earned on this account stops accruing on the day of retirement or the date withdrawn. If you separate from Federal service and are entitled to a deferred retirement benefit, interest will continue to accrue until the beginning date of the deferred retirement benefit or until your death, whichever comes first. If you request a refund of retirement contributions, interest will be paid only to the date of your separation.

To participate in this program, you must:

- Pay any civilian deposits or redeposits owed before making any Voluntary Contributions.
- Contribute in multiples of \$25, not to exceed 10 percent of the total basic pay received during all of your Federal service. To determine your total basic pay, divide your retirement contributions by .07 (.075 for special groups such as law enforcement officers).

Withdrawals must be in the full amount of the account balance. Once contributions are withdrawn, you may not make further deposits unless you separate from Federal service and later return. You have the option of withdrawal at any time until the final processing of your retirement is completed or you may elect to purchase additional CSRS benefits as outlined below:

1. **Withdrawal of Voluntary Contributions**—You may elect to transfer the interest portion, or the entire account balance, to an Individual Retirement Arrangement (IRA), TSP (interest portion only) or other qualified retirement plan. The Pension Protection Act of 2006 allows Voluntary Contributions to be transferred directly into a Roth IRA (all but the interest portion). If payment is made directly to you, the taxable interest portion is subject to 20 percent Federal income tax withholding. There is no withholding on transfers made directly to a qualified retirement plan. See IRS Publication 575, Pension and Annuity Income and IRS Publication 721, Tax Guide to U.S. Civil Service Retirement Benefits at www.irs.gov. Use Form RI 38-124, Voluntary Contributions Election, to refund or transfer account funds found at www.opm.gov/forms.
2. **Purchase additional retirement benefit**—If you do not elect a return of your contributions before your retirement benefit is finalized by OPM, you may receive an additional retirement benefit of \$7 per year plus 20 cents for each full year you are over age 55 multiplied by 1 percent of the total amount of your Voluntary Contributions.

Notes:

Voluntary Contributions Program

CSRS

Additional Retirement Benefit (multiply age factor by 1% of Voluntary Contributions balance)								
55	\$7.00	61	\$8.20	67	\$9.40	73	\$10.60	
56	\$7.20	62	\$8.40	68	\$9.60	74	\$10.80	
57	\$7.40	63	\$8.60	69	\$9.80	75	\$11.00	
58	\$7.60	64	\$8.80	70	\$10.00	76	\$11.20	
59	\$7.80	65	\$9.00	71	\$10.20	77	\$11.40	
60	\$8.00	66	\$9.20	72	\$10.40	78	\$11.60	
Add 20 cents for each additional year over age 55 to age of retirement							79	\$11.80

Example: \$50,000 in Voluntary Contributions at age 60 would provide a supplemental retirement benefit of \$4,000 per year or \$333 per month (\$50,000 x \$8.00 x .01).

You may elect a reduced amount to provide a survivor benefit for any person you name. The reduction is 10 percent of your retirement benefit plus an additional 5 percent for each full 5 years the person you name is younger than you (40 percent maximum reduction). The survivor amount is 50 percent of your reduced retirement benefit. The reduction for a survivor's benefit is permanent; it will not end, even if the person named predeceases you. This extra benefit will be included in your regular CSRS retirement benefit payments. **It is not increased by annual cost-of-living adjustments.**

Notes:

Summary of Federal Service	FERS
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Certified Summary of Federal Service
Federal Employees Retirement System

Office of Personnel
Management
5 CFR Part 841

Information for the Agency

1. A certified copy of this form must accompany the employee's *Application for Immediate Retirement (SF 3107)*.
2. This form may also be used:
 - for retirement counseling purposes
 - to respond to an employee's request for a record of creditable service
3. See the CSRS and FERS Handbook for Personnel and Payroll Offices for detailed instructions for completion and disposition of this form.

Instructions for the Employee

1. Your employing office will complete and certify this form for you.
2. Review this form carefully. Be sure it contains all of your service.
3. Complete Section E, Employee's Certification, and return the form to your employing office.

Section A - Identification

1. Name of employee (<i>last, first, middle</i>)	2. Date of birth (<i>mm/dd/yyyy</i>)	3. Social Security Number
4. List all other names used (<i>maiden name, AKA, spelling variants</i>)	5. Other birth dates used	6. Military serial number
8a. Did this employee elect to transfer to FERS? <input type="checkbox"/> No <input type="checkbox"/> Yes, give effective date of election:	8b. If the employee elected to transfer to FERS, is the employee entitled, according to your records, to have part of the FERS annuity computed under CSRS rules? <input type="checkbox"/> Yes <input type="checkbox"/> No	
9a. Does the applicant receive military retired pay? <input type="checkbox"/> Yes (<i>Attach a copy of the applicant's military retired pay order, if available, and complete 9b.</i>) <input type="checkbox"/> No	9b. If yes, has the applicant waived military retired pay to credit military service for FERS retirement? <input type="checkbox"/> Yes (<i>Attach a copy of the military finance center's letter to the employee accepting waiver, if available.</i>) <input type="checkbox"/> No (<i>Include cases where a waiver is not necessary.</i>)	

Section B - Verified Service History Documented in Official Personnel Records

Federal agency or military service branch	Appointment, separation, or conversion dates for civilian and active honorable military service		Name of retirement system*	Remarks and non-creditable time**
	From (<i>mm/dd/yyyy</i>)	To (<i>mm/dd/yyyy</i>)		

* Give details of creditable civilian service not subject to retirement deductions in Section C.

**In Remarks, show if CSRS service on or after January 1, 1984, is "regular" CSRS or CSRS Offset. Indicate if service is part-time. If service was performed on a WAE or intermittent basis, show the number of days worked in "Remarks." If the number of days worked is not available, then show the number of hours worked.

Summary of Federal Service	FERS
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Section C - Detail of Civilian Service Not Subject to Contributory Retirement System for Civilian Federal Employees

Detail below (1) any period of Federal civilian service subject only to "FICA" deductions, and (2) any other Federal civilian service not subject to a Federal employee (or D.C. Government) retirement system. If total basic salary earned for any such period of service is known, you may make a summary entry on the right hand side below. Otherwise, show each change affecting basic salary during the period of service. Show part-time tour of duty, if applicable. Also provide total number of hours the employee worked during the period of part-time service, if available, and show what a full-time tour of duty would be. Service which is not subject to FERS or CSRS deductions is creditable only as specifically allowed by law.

Nature of action <i>(Appt., pro., res., etc.)</i>	Effective date <i>(mm/dd/yyyy)</i>	Basic salary rate	Salary basis <i>(per annum, per hour, WAE, etc.)</i>	Leave without pay	If basic salary actually earned is available make summary entry below		
					From <i>(mm/dd/yyyy)</i>	To <i>(mm/dd/yyyy)</i>	Total earned

Section D - Agency Certification

I certify that the information on this form accurately reflects verified information contained in official records and that the applicant has sufficient service to be entitled to an annuity. I further certify that all required documentation in support of this application is attached, accurate and complete.

Signature of authorized agency personnel official	Agency name and address, including ZIP Code, telephone number <i>(including area code)</i> , FAX number, and EMAIL address
Official Title	Date <i>(mm/dd/yyyy)</i>

Section E - Employee's Certification

- The service listed is complete.
 - I have additional service. (If you claim additional service, attach signed statement(s) giving dates, positions, titles and locations of employment, including agency, bureau, and division. Claimed service cannot be credited for retirement until it has been verified. This includes unverified service listed on an SF 144, *Statement of Prior Federal Civilian and Military Service*, or similar affidavit.)
- Note: If you have performed Federal civilian service subject to social security deductions (FICA) or not subject to retirement deductions, be sure that your agency has correctly completed Section C above.

Signature <i>(do not print)</i>	Date <i>(mm/dd/yyyy)</i>
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STEP 3: Determine Your Basic Retirement Benefit

CSRS/FERS

The following three factors are used to determine your basic retirement benefit:

- Your total length of service
- Your high-3 average salary
- The CSRS formula or FERS formula

The CSRS formula or FERS formula is used to calculate your unreduced basic retirement benefit. This amount may be reduced because of age, unpaid deposits, survivor benefits, former spouse apportionment or unpaid CSRS redeposits. The CSRS Offset benefit will be reduced when you have retired and qualify for a Social Security retirement benefit. Your retirement will be subject to withholding for Federal and state income tax and insurance premiums, as applicable.

Notes:

Length of Service**CSRS/FERS**

Your service computation date (SCD) reflects the service that is creditable toward your retirement eligibility as well as in your benefit computation. Generally, you are given full credit for the period of service from your appointment date through your separation date. Your SCD may be adjusted based on types of appointments you may have had (i.e. intermittent, WAE). Verify your *retirement SCD* with your human resources specialist.

Retirement Date minus Retirement SCD = Length of Service

Example: Subtracting Dates to Calculate Length of Service			
	Year	Month	Day
Retirement Date 12/31/2025	2025	12	31
Retirement SCD 10/12/1993	– 1993	– 10	– 12
Length of Service 32 years 2 months 19 days	32	2	19

Example: Subtracting Dates to Calculate Length of Service (Shorter Length of Service)			
	Year	Month	Day
	2024	18	
Retirement Date 6/15/2025	2025	6	15+1
Retirement SCD 10/12/2013	– 2013	– 10	– 12
Length of Service 11 years 8 months 4 days	11	8	4

Guidelines for subtracting and adding dates:

- Retirement benefits are paid based on a 30-day month; therefore, for computation purposes, **all months have 30 days.**
- Add 1 day to the retirement date so the total service will include the last day of employment, but do not add a day if you are retiring on the 31st.
- Add 2 days to the retirement date if retiring February 29 and add 3 days to the retirement date if retiring February 28 – this allows February to have 30 days just like all the other months.

CSRS Maximum Annuity

CSRS

The basic CSRS annuity may not exceed 80 percent of the employee's high-3 average pay (before the additional credit for unused sick leave is added). Normally, total service of 41 years 11 months (excluding unused sick leave credit) produces the maximum annuity. This applies only to CSRS employees, not FERS.

Example: Computing Maximum Service			
	Year	Month	Day
Retirement Date 12/31/2025	2025	12	31
Retirement SCD 10/12/1978	- 1978	- 10	- 12
Length of Service 47 years 2 months 19 days	47	2	19
Length of Service to compute retirement (before adding sick leave) 41 years 11 months 0 days	41	11	0
Unused Sick Leave: 2,900 hours (see page 1-26)	+ 1	+ 4	+ 21
Total service used to compute CSRS retirement	43	3	21

Unused sick leave increases the annuity above the 80 percent limit. This adjustment is made before applying any of the reductions for age, unpaid deposits or survivor elections and before adding any annuity purchased by Voluntary Contributions.

Excess retirement deductions withheld from the first of the month after an employee has performed sufficient service to entitle him or her to the maximum annuity, plus 3 percent interest compounded annually to the date of retirement, are automatically applied toward any unpaid civilian deposits/redeposits. OPM then refunds any balance with the initial annuity payment. If the retiree returns the excess deductions and interest to OPM, this amount is treated as Voluntary Contributions and the annuity is recomputed accordingly.

Note: Excess deductions are not automatically applied toward a redeposit due for civilian refunded service that ended before March 1, 1991. The actuarial reduction described in page 1-17 applies to the maximum annuity. However, if the retiree elects to purchase an additional annuity with the excess deductions, the redeposit has to be paid in full.

Notes:

Credit Unused Sick Leave**CSRS/FERS**

Employees receive credit for the total number of unused sick leave hours accumulated through their date of retirement.

- Unused sick leave hours are added to the length of service.
- Unused sick leave credit is used only in the computation of the retirement benefit; it is not used to establish retirement eligibility or to calculate the high-3 average salary.
- There is no limit on the amount of unused sick leave that can be credited.

Example: Credit Unused Sick Leave			
1. Convert sick leave hours to years, months, and days			
Enter the number of hours of unused sick leave.	2,350		
If the total number of hours of unused sick leave is greater than 1 year (2,087 hours), subtract 2,087 from the hours of unused sick leave.	-2,087		
The remainder is the number of hours less than 1 year.	263		
Use the Converting Unused Sick Leave chart on the next page to convert remaining sick leave hours into months and days.	1 months 16 days		
Add back any whole year(s) to calculate the total years, months, and days.	1 year 1 month 16 days		
2. Add unused sick leave to total service			
	Years	Months	Days
Creditable service	32	2 (+1)	19
Unused sick leave	+ 1	+ 1	+ 16
Total creditable service	33	4	5

NOTE: TransFERS employees who have fewer hours of sick leave at the time of retirement than they had at the time they transferred to FERS will have their sick leave credited towards their CSRS component. Otherwise, the sick leave credit will be split between CSRS and FERS credit.

Example: James had 1500 hours of sick leave at the time of his transfer to FERS and 2000 hours at the time of his retirement. In this situation, 1500 hours will be added to the CSRS component and the 500 hour balance will be added to the FERS component.

Notes:

Credit Unused Sick Leave	CSRS/FERS
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Converting Unused Sick Leave												
Days	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
0	0	174	348	522	696	870	1044	1217	1391	1565	1739	1913
1	6	180	354	528	702	875	1049	1223	1397	1571	1745	1919
2	12	186	360	533	707	881	1055	1229	1403	1577	1751	1925
3	17	191	365	539	713	887	1061	1235	1409	1583	1757	1931
4	23	197	371	545	719	893	1067	1241	1415	1589	1762	1936
5	29	203	377	551	725	899	1073	1246	1420	1594	1768	1942
6	35	209	383	557	731	904	1078	1252	1426	1600	1774	1948
7	41	215	388	562	736	910	1084	1258	1432	1606	1780	1954
8	46	220	394	568	742	916	1090	1264	1438	1612	1786	1960
9	52	226	400	574	748	922	1096	1270	1444	1618	1791	1965
10	58	232	406	580	754	928	1102	1275	1449	1623	1797	1971
11	64	238	412	586	760	933	1107	1281	1455	1629	1803	1977
12	70	244	417	591	765	939	1113	1287	1461	1635	1809	1983
13	75	249	423	597	771	945	1119	1293	1467	1641	1815	1989
14	81	255	429	603	777	951	1125	1299	1473	1646	1820	1994
15	87	261	435	609	783	957	1131	1304	1478	1652	1826	2000
16	93	267	441	615	789	962	1136	1310	1484	1658	1832	2006
17	99	273	446	620	794	968	1142	1316	1490	1664	1838	2012
18	104	278	452	626	800	974	1148	1322	1496	1670	1844	2018
19	110	284	458	632	806	980	1154	1328	1502	1675	1849	2023
20	116	290	464	638	812	986	1160	1333	1507	1681	1855	2029
21	122	296	470	643	817	991	1165	1339	1513	1687	1861	2035
22	128	301	475	649	823	997	1171	1345	1519	1693	1867	2041
23	133	307	481	655	829	1003	1177	1351	1525	1699	1873	2046
24	139	313	487	661	835	1009	1183	1357	1530	1704	1878	2052
25	146	319	493	667	841	1015	1188	1362	1536	1710	1884	2058
26	151	325	499	673	846	1020	1194	1368	1542	1716	1890	2064
27	157	331	504	678	852	1026	1200	1374	1548	1722	1896	2070
28	162	336	510	684	858	1032	1206	1380	1554	1728	1902	2075
29	168	342	516	690	864	1038	1212	1386	1560	1733	1907	2081

Use this table to convert hours of unused sick leave into months and days. For example, 817 hours of unused sick leave equals 4 months and 21 days. If the number of hours falls between two figures, use the next higher figure.

NOTE: 2,087 hours = 1 year.

Calculate Your High-3 Salary**CSRS/FERS**

Your high-3 average salary is your highest average basic pay over any consecutive 3-year period in Federal service. Generally, the final 3 years of service include the highest pay, but pay from an earlier period can be used if it was higher.

Your basic pay is the salary for which retirement deductions are withheld. It includes the following types of pay:

- Regular pay
- Locality-based pay
- Environmental differential pay
- Premium pay for standby time
- Law enforcement availability pay
- Night differential pay for Federal Wage System (Blue-Collar) employees only
- Special pay rate for recruiting and retention purposes

The following types of pay will **not** be included:

- A lump-sum payment for accrued and accumulated annual leave
- Bonuses and overtime, holiday, Sunday premium, and military pay
- General Schedule (GS) night differential pay and foreign or non-foreign post differential pay
- Travel allowances
- Recruiting or retention bonuses

TIP: The result of multiplying the amount you are paid biweekly by your retirement contribution (generally 7 percent for most CSRS employees or 0.8 percent for most FERS employees), should equal the retirement deduction shown on your Leave and Earnings Statement. If the result is less, your check includes compensation that is not part of your basic pay (i.e., overtime or a bonus).

Example 1: Calculate the High-3 Salary			
1. Determine the beginning of the high-3 period			
	Year	Month	Day
Retirement date or end of high-3 period	2025	12	31
Subtract 3 years	– 3	– 0	– 0
Beginning of high-3 period	2022	12	31
Example 2: Calculate the High-3 Salary			
1. Determine the beginning of the high-3 period			
	Year	Month	Day
Retirement date or end of high-3 period	2025	6	15
Subtract 3 years	– 3	– 0	– 0
Beginning of high-3 period	2022	6	15

Calculate Your High-3 Salary

CSRS/FERS

2. Determine the average high-3 salary

- a. Subtract the beginning date from the end date to determine the total time.
- b. Use the Time Factors Used to Calculate the High-3 Average Salary Rates chart to determine the fraction of a year that the period covers.
- c. Enter the annual rate of pay for the time period.
- d. Multiply the time factors by the annual rate for the total basic pay. The time factor chart is on the next page.
- e. Add the entries in the Total Basic Pay column.
- f. Divide the sum of the total basic pay by 3 to determine the high-3 salary.

Beginning Date	End Date	Total Time (Year, Months, Days)	Time Factor	Annual Rate	Total Basic Pay
1/1/2023	1/6/2024	1 – 0 - 6	1.017	\$80,430	\$81,797.31
1/7/2024	8/3/2024	0 – 6 - 27	.575	\$82,038	\$47,171.85
8/4/2024	1/4/2025	0 – 5 - 1	.419	\$84,499	\$35,405.08
1/5/2025	12/31/2025	0 – 11 - 26	.989	\$86,189	\$85,240.92
Sum of Total Basic Pay					\$249,615.16
High-3 Salary					\$83,205.05

Notes:

Calculate Your High-3 Salary**CSRS/FERS**

Time Factors Used to Calculate the High-3 Average Salary Rates												
Days	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
0	-----	.083	.167	.250	.333	.417	.500	.583	.667	.750	.833	.917
1	.003	.086	.169	.253	.336	.419	.503	.586	.669	.753	.836	.919
2	.006	.089	.172	.256	.339	.422	.506	.589	.672	.756	.839	.922
3	.008	.092	.175	.258	.342	.425	.508	.592	.675	.758	.842	.925
4	.011	.094	.178	.261	.344	.428	.511	.594	.678	.761	.844	.928
5	.014	.097	.181	.264	.347	.431	.514	.597	.681	.764	.847	.931
6	.017	.100	.183	.267	.350	.433	.517	.600	.683	.767	.850	.933
7	.019	.103	.186	.269	.353	.436	.519	.603	.686	.769	.853	.936
8	.022	.106	.189	.272	.356	.439	.522	.606	.689	.772	.856	.939
9	.025	.108	.192	.275	.358	.442	.525	.608	.692	.775	.858	.942
10	.028	.111	.194	.278	.361	.444	.528	.611	.694	.778	.861	.944
11	.031	.114	.197	.281	.364	.447	.531	.614	.697	.781	.864	.947
12	.033	.117	.200	.283	.367	.450	.533	.617	.700	.783	.867	.950
13	.036	.119	.203	.286	.369	.453	.536	.619	.703	.786	.869	.953
14	.039	.122	.206	.289	.372	.456	.539	.622	.706	.789	.872	.956
15	.042	.125	.208	.292	.375	.458	.542	.625	.708	.792	.875	.958
16	.044	.128	.211	.294	.378	.461	.544	.628	.711	.794	.878	.961
17	.047	.131	.214	.297	.381	.464	.547	.631	.714	.797	.881	.964
18	.050	.133	.217	.300	.383	.467	.550	.633	.717	.800	.883	.967
19	.053	.136	.219	.303	.386	.469	.553	.636	.719	.803	.886	.969
20	.056	.139	.222	.306	.389	.472	.556	.639	.722	.806	.889	.972
21	.058	.142	.225	.308	.392	.475	.558	.642	.725	.808	.892	.975
22	.061	.144	.228	.311	.394	.478	.561	.644	.728	.811	.894	.978
23	.064	.147	.231	.314	.397	.481	.564	.647	.731	.814	.897	.981
24	.067	.150	.233	.317	.400	.483	.567	.650	.733	.817	.900	.983
25	.069	.153	.236	.319	.403	.486	.569	.653	.736	.819	.903	.986
26	.072	.156	.239	.322	.406	.489	.572	.656	.739	.822	.906	.989
27	.075	.158	.242	.325	.408	.492	.575	.658	.742	.825	.908	.992
28	.078	.161	.244	.328	.411	.494	.578	.661	.744	.828	.911	.994
29	.081	.164	.247	.331	.414	.497	.581	.664	.747	.831	.914	.997

NOTE: OPM uses six decimal places; this chart has been rounded to three.

CSRS: Calculate Your Basic Benefit

CSRS

The CSRS formula is used to calculate the basic benefit for CSRS, CSRS-Offset, and the CSRS component of TRANSFERS. The basic benefit may be reduced for age, unpaid deposits, survivor benefit elections, the CSRS “Offset” and unpaid CSRS redeposits.

The maximum CSRS retirement benefit is limited to 80 percent of the high-3 salary although sick leave credit allows the benefit to increase above the limit. If your service exceeds the amount necessary to provide the maximum benefit computation, you will receive a refund with interest of excess retirement contributions paid at retirement.

CSRS Formula						Total
1.50%	x	High-3	X	First 5 years of service	=	
1.75%	x	High-3	X	Second 5 years of service	=	
2.00%	x	High-3	X	Remaining years and months of service	=	
Sum of entries in the Total column						

Example: Calculate the basic benefit using the CSRS formula assuming:						Total
<ul style="list-style-type: none"> • 33 Years, 4 Months of Service (includes unused sick leave) • High-3 Salary of \$83,205 						
1.50%	x	\$83,205	X	5	=	\$6,240.37
1.75%	x	\$83,205	X	5	=	\$7,280.44
2.00%	x	\$83,205	X	23.3333 (23 years 4 months)	=	\$38,828.94
Annual Unreduced Basic Benefit						\$52,349.75
Monthly Unreduced Basic Benefit						\$4,362.47

The CSRS formula explains how your benefit is calculated. You may also use the Easy CSRS Calculation Chart on the next page to estimate your basic benefit. Simply locate your years and months of service on the chart and multiply the decimal by your high-3 average salary.

Notes:

Easy CSRS Calculation												
Yrs.	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
5	.075000	.076458	.077917	.079375	.080833	.082292	.083750	.085208	.086667	.088125	.089583	.091042
6	.092500	.093958	.095417	.096875	.098333	.099792	.101250	.102708	.104167	.105625	.107083	.108542
7	.110000	.111458	.112917	.114375	.115833	.117292	.118750	.120208	.121667	.123125	.124583	.126042
8	.127500	.128958	.130417	.131875	.133333	.134792	.136250	.137708	.139167	.140625	.142083	.143542
9	.145000	.146458	.147917	.149375	.150833	.152292	.153750	.155208	.156667	.158125	.159583	.161042
10	.162500	.164167	.165833	.167500	.169167	.170833	.172500	.174167	.175833	.177500	.179167	.180833
11	.182500	.184167	.185833	.187500	.189167	.190833	.192500	.194167	.195833	.197500	.199167	.200833
12	.202500	.204167	.205833	.207500	.209167	.210833	.212500	.214167	.215833	.217500	.219167	.220833
13	.222500	.224167	.225833	.227500	.229167	.230833	.232500	.234167	.235833	.237500	.239167	.240833
14	.242500	.244167	.245833	.247500	.249167	.250833	.252500	.254167	.255833	.257500	.259167	.260833
15	.262500	.264167	.265833	.267500	.269167	.270833	.272500	.274167	.275833	.277500	.279167	.280833
16	.282500	.284167	.285833	.287500	.289167	.290833	.292500	.294167	.295833	.297500	.299167	.300833
17	.302500	.304167	.305833	.307500	.309167	.310833	.312500	.314167	.315833	.317500	.319167	.320833
18	.322500	.324167	.325833	.327500	.329167	.330833	.332500	.334167	.335833	.337500	.339167	.340833
19	.342500	.344167	.345833	.347500	.349167	.350833	.352500	.354167	.355833	.357500	.359167	.360833
20	.362500	.364167	.365833	.367500	.369167	.370833	.372500	.374167	.375833	.377500	.379167	.380833
21	.382500	.384167	.385833	.387500	.389167	.390833	.392500	.394167	.395833	.397500	.399167	.400833
22	.402500	.404167	.405833	.407500	.409167	.410833	.412500	.414167	.415833	.417500	.419167	.420833
23	.422500	.424167	.425833	.427500	.429167	.430833	.432500	.434167	.435833	.437500	.439167	.440833
24	.442500	.444167	.445833	.447500	.449167	.450833	.452500	.454167	.455833	.457500	.459167	.460833
25	.462500	.464167	.465833	.467500	.469167	.470833	.472500	.474167	.475833	.477500	.479167	.480833
26	.482500	.484167	.485833	.487500	.489167	.490833	.492500	.494167	.495833	.497500	.499167	.500833
27	.502500	.504167	.505833	.507500	.509167	.510833	.512500	.514167	.515833	.517500	.519167	.520833
28	.522500	.524167	.525833	.527500	.529167	.530833	.532500	.534167	.535833	.537500	.539167	.540833
29	.542500	.544167	.545833	.547500	.549167	.550833	.552500	.554167	.555833	.557500	.559167	.560833
30	.562500	.564167	.565833	.567500	.569167	.570833	.572500	.574167	.575833	.577500	.579167	.580833
31	.582500	.584167	.585833	.587500	.589167	.590833	.592500	.594167	.595833	.597500	.599167	.600833
32	.602500	.604167	.605833	.607500	.609167	.610833	.612500	.614167	.615833	.617500	.619167	.620833
33	.622500	.624167	.625833	.627500	.629167	.630833	.632500	.634167	.635833	.637500	.639167	.640833
34	.642500	.644167	.645833	.647500	.649167	.650833	.652500	.654167	.655833	.657500	.659167	.660833
35	.662500	.664167	.665833	.667500	.669167	.670833	.672500	.674167	.675833	.677500	.679167	.680833
36	.682500	.684167	.685833	.687500	.689167	.690833	.692500	.694167	.695833	.697500	.699167	.700833
37	.702500	.704167	.705833	.707500	.709167	.710833	.712500	.714167	.715833	.717500	.719167	.720833
38	.722500	.724167	.725833	.727500	.729167	.730833	.732500	.734167	.735833	.737500	.739167	.740833
39	.742500	.744167	.745833	.747500	.749167	.750833	.752500	.754167	.755833	.757500	.759167	.760833
40	.762500	.764167	.765833	.767500	.769167	.770833	.772500	.774167	.775833	.777500	.779167	.780833
41	.782500	.784167	.785833	.787500	.789167	.790833	.792500	.794167	.795833	.797500	.799167	.800000

Locate your years and months of service and multiply the decimal by your high-3 average salary.

Example:	
33 years and 4 months of service High-3 average salary: \$83,205	$.629167 \times \$83,205 = \mathbf{\$52,349 / year}$ or $\mathbf{\$4,362 / month}$

The maximum CSRS retirement benefit is limited to 80 percent of the high-3 salary although sick leave credit allows the benefit to increase above the limit. If your service exceeds the amount necessary to provide the maximum benefit computation, you will receive a refund with interest of excess retirement contributions paid at retirement.

CSRS: Part-Time Service

CSRS

The high-3 average salary for part-time service is calculated based on the time period in which the service was performed.

For part-time service performed:	Calculate the high-3 average using:	Credit the service as:	Prorate the service:
Before 4/7/86	Full-time basic pay rates	Full time	Not applicable since the service during this period will be treated as full time regardless of the hours worked.
After 4/6/86	Full-time basic pay rates	Hours worked	Divide the total hours worked after 4/6/86 by the total hours in a full-time schedule.

Example: Calculate the retirement benefit for service that includes part time and full time work

Janine worked for the Department of Labor for 30 years. She worked full time for the first 25 years and part time (32 hours per week, or 80% of a full-time schedule) for the last 5 years as follows:

- 15 years of full-time service before 4/7/86
- 10 years of full-time service after 4/6/86
- 5 years of part-time service after 4/7/86

Her high-3 is \$60,000 based on her full-time pay rate even though she is working only 32 hours / week.

1. Calculate the amount of the benefit for work performed before 4/7/86.

Multiply the full-time high-3 by the appropriate factor from the CSRS Computation chart or by using the general formula for computing CSRS benefits for 15 years of service (.2625).

$$\$60,000 \times .2625 = \$15,750 / \text{year or } \$1,312 / \text{month}$$

2. Calculate the amount of the benefit for work performed after 4/6/86.

Determine the number of full-time hours worked. (A work year is considered to have 2,087 hours.)

$$10 \text{ years} \times 2,087 \text{ hours} = 20,870$$

Determine the number of part-time hours worked.

$$5 \text{ years} \times 32 \text{ hours} \times 52 \text{ weeks} = 8,320 \text{ hours}$$

Add the full-time and part-time hours worked.

$$20,870 \text{ hours} + 8,320 \text{ hours} = 29,190 \text{ hours}$$

Determine the number of hours the employee would have worked if she had been employed full time.

$$2,087 \text{ hours} \times 15 \text{ years} = 31,305 \text{ hours}$$

Determine the percentage of full-time hours actually worked.

$$29,190 \text{ hours} / 31,305 \text{ hours} = 93.24\%$$

CSRS: Part-Time Service**CSRS**

Example: Calculate the retirement benefit for service that includes part time and full time work	
Calculate the benefit for this time period using the full-time high-3 and the percentage of full-time hours actually worked. All of this service will be computed at the 2% factor.	$15 \text{ years} \times 2\% \times \$60,000 = \$18,000$ $\$18,000 \times 93.24\% = \$16,783 \text{ /year or } \$1,398 \text{ / month}$
3. Total the amount for both time periods to determine the total retirement benefit.	$\$16,783 + \$15,750 = \$32,533 \text{ /year or } \$2,711 \text{ / month}$

The law for computing the high-three for CSRS employees working part-time was changed on 10/28/09. Prior to the change in the law, the “actual” high-three would have been used instead of the full-time equivalent. Due to this recent change, CSRS employees who decide to work part-time during their high-three period will no longer need to worry that this action will negatively affect their pre-4/7/86 portion of their career. In the above example, this change in the law increased the CSRS benefit from \$29,383 per year or \$2,448 / month (the amount of the annuity computed under the old law) to \$32,533 per year or \$2,711 / month – a difference of \$3,150 per year or \$262 / month.

Notes:

CSRS Offset

CSRS

The annuities for CSRS Offset employees are computed in the same manner as if they were covered under CSRS only. However, at age 62, or retirement, if later, the benefit is offset (reduced) by a portion of the amount received from Social Security.

The amount of the Offset is the **lesser** of the following two calculations:

Calculation 1:

The Social Security Administration computes the amount of the Social Security benefit that is based only on wages subject to FICA during CSRS Offset service. This amount is reported to OPM at age 62, or at retirement, if later.

Calculation 2:

$$\frac{\text{Total years of Offset service}}{40} \times \text{Social Security benefit (age 62, or at retirement, if later)}$$

The lesser of calculations 1 and 2 is subtracted from the CSRS retirement.

CSRS-Offset Example		
Unreduced CSRS retirement benefit: \$50,408.41/ year or \$4,200 / month		
Years of Offset service: 15		
Actual Social Security benefit (age 62, or at retirement, if later): \$14,400 (\$1,200 / month)		
Calculation 1		
Social Security attributable to Federal service performed after 12/31/83	\$8,000 / year or \$666 / month	
Calculation 2		
1. Divide the total years of Offset service by 40	15 ÷ 40	= .375
2. Multiply the result from step 1 by the Social Security benefit*	.375 x \$14,400	= \$5,400 / year or \$450 / month
Calculate the Offset (the lesser of Calculation 1 and 2)		
Calculation 2 was less than Calculation 1	\$5,400 / year or \$450 / month	
Subtract the Offset from the unreduced CSRS retirement benefit	\$50,408 - \$5,400 = \$45,008 / year or \$3,750 / month	
CSRS-Offset and Social Security:		
Reduced (Offset) CSRS Benefit	\$45,008 / year	\$3,750 / month
Social Security Retirement**	+ \$14,400 / year	+ \$1,200 / month
Total Retirement Income:	= \$59,408 / year	\$4,950 / month

*This amount is based on all wages subject to FICA tax over lifetime. Refer to your Social Security statement for this information.

**There are a variety of claiming strategies for Social Security retirement including delaying application up to age 70 or claiming a spousal or survivor’s benefit which may be higher.

See **Page 1-56** for information about CSRS Offset and survivor benefit elections.

FERS: Calculate Your Basic Benefit**FERS**

The FERS formula is used to calculate the basic benefit for FERS and the FERS component of TransFERS. The basic benefit may be reduced for age and survivor benefit elections. You may also use the Easy FERS Calculation Chart on the next two pages to estimate your basic benefit. There is no maximum benefit.

FERS Formula					
1% or 1.1%	x	High 3	x	Total years and months of service	= Basic Benefit
Example: Calculate the Basic Benefit Using the FERS Formula: <ul style="list-style-type: none"> • 33 Years 4 Months of Service • High 3 Salary of \$83,205 • Age 60 					
1%	x	\$83,205	x	33.3333 (33 years and 4 months)	= \$27,734* / year or \$2,311 / month
Employees who are age 62 or older with 20 or more years of service use 1.1 percent.					
1.1%	x	\$83,205	x	33.3333 (33 years and 4 months)	= \$30,508/ year or \$2,542 / month

*There may be a special supplement payable if you retire before age 62 on an immediate, unreduced FERS benefit (excluding FERS disability benefits). See page 1-43 for an explanation of the FERS supplement.

TransFERS

Use the CSRS benefit computation for the years and months of service and unused sick leave creditable prior to transfer, and use the FERS benefit computation for the years and months of remaining service as well as sick leave included in the FERS component of your service.

The total of the two computations equals the FERS basic benefit.

Notes:

Easy FERS Calculation (1 Percent)												
Use for employees retiring under age 62 or age 62 or older with fewer than 20 years of service.												
Yrs.	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
1	.010000	.01083	.011667	.012500	.013333	.014167	.015000	.015833	.016667	.017500	.018333	.019167
2	.020000	.020833	.021667	.022500	.023333	.024167	.025000	.025833	.026667	.027500	.028333	.029167
3	.030000	.030833	.031667	.032500	.033333	.034167	.035000	.035833	.036667	.037500	.038333	.039167
4	.040000	.040833	.041667	.042500	.043333	.044167	.045000	.045833	.046667	.047500	.048333	.049167
5	.050000	.050833	.051667	.052500	.053333	.054167	.055000	.055833	.056667	.057500	.058333	.059167
6	.060000	.060833	.061667	.062500	.063333	.064167	.065000	.065833	.066667	.067500	.068333	.069167
7	.070000	.070833	.071667	.072500	.073333	.074167	.075000	.075833	.076667	.077500	.078333	.079167
8	.080000	.080833	.081667	.082500	.083333	.084167	.085000	.085833	.086667	.087500	.088333	.089167
9	.090000	.090833	.091667	.092500	.093333	.094167	.095000	.095833	.096667	.097500	.098333	.099167
10	.100000	.100833	.101667	.102500	.103333	.104167	.105000	.105833	.106667	.107500	.108333	.109167
11	.110000	.110833	.111667	.112500	.113333	.114167	.115000	.115833	.116667	.117500	.118333	.119167
12	.120000	.120833	.121667	.122500	.123333	.124167	.125000	.125833	.126667	.127500	.128333	.129167
13	.130000	.130833	.131667	.132500	.133333	.134167	.135000	.135833	.136667	.137500	.138333	.139167
14	.140000	.140833	.141667	.142500	.143333	.144167	.145000	.145833	.146667	.147500	.148333	.149167
15	.150000	.150833	.151667	.152500	.153333	.154167	.155000	.155833	.156667	.157500	.158333	.159167
16	.160000	.160833	.161667	.162500	.163333	.164167	.165000	.165833	.166667	.167500	.168333	.169167
17	.170000	.170833	.171667	.172500	.173333	.174167	.175000	.175833	.176667	.177500	.178333	.179167
18	.180000	.180833	.181667	.182500	.183333	.184167	.185000	.185833	.186667	.187500	.188333	.189167
19	.190000	.190833	.191667	.192500	.193333	.194167	.195000	.195833	.196667	.197500	.198333	.199167
20	.200000	.200833	.201667	.202500	.203333	.204167	.205000	.205833	.206667	.207500	.208333	.209167
21	.210000	.210833	.211667	.212500	.213333	.214167	.215000	.215833	.216667	.217500	.218333	.219167
22	.220000	.220833	.221667	.222500	.223333	.224167	.225000	.225833	.226667	.227500	.228333	.229167
23	.230000	.230833	.231667	.232500	.233333	.234167	.235000	.235833	.236667	.237500	.238333	.239167
24	.240000	.240833	.241667	.242500	.243333	.244167	.245000	.245833	.246667	.247500	.248333	.249167
25	.250000	.250833	.251667	.252500	.253333	.254167	.255000	.255833	.256667	.257500	.258333	.259167
26	.260000	.260833	.261667	.262500	.263333	.264167	.265000	.265833	.266667	.267500	.268333	.269167
27	.270000	.270833	.271667	.272500	.273333	.274167	.275000	.275833	.276667	.277500	.278333	.279167
28	.280000	.280833	.281667	.282500	.283333	.284167	.285000	.285833	.286667	.287500	.288333	.289167
29	.290000	.290833	.291667	.292500	.293333	.294167	.295000	.295833	.296667	.297500	.298333	.299167
30	.300000	.300833	.301667	.302500	.303333	.304167	.305000	.305833	.306667	.307500	.308333	.309167
31	.310000	.310833	.311667	.312500	.313333	.314167	.315000	.315833	.316667	.317500	.318333	.319167
32	.320000	.320833	.321667	.322500	.323333	.324167	.325000	.325833	.326667	.327500	.328333	.329167
33	.330000	.330833	.331667	.332500	.333333	.334167	.335000	.335833	.336667	.337500	.338333	.339167
34	.340000	.340833	.341667	.342500	.343333	.344167	.345000	.345833	.346667	.347500	.348333	.349167
35	.350000	.350833	.351667	.352500	.353333	.354167	.355000	.355833	.356667	.357500	.358333	.359167
36	.360000	.360833	.361667	.362500	.363333	.364167	.365000	.365833	.366667	.367500	.368333	.369167
37	.370000	.370833	.371667	.372500	.373333	.374167	.375000	.375833	.376667	.377500	.378333	.379167
38	.380000	.380833	.381667	.382500	.383333	.384167	.385000	.385833	.386667	.387500	.388333	.389167
39	.390000	.390833	.391667	.392500	.393333	.394167	.395000	.395833	.396667	.397500	.398333	.399167
40	.400000	.400833	.401667	.402500	.403333	.404167	.405000	.405833	.406667	.407500	.408333	.409167

Locate your years and months of service and multiply the decimal by your high-3 average salary.

Example:	
33 years and 4 months of service High-three average salary: \$83,205	.333333 x \$83,205 = \$27,734 / year or \$2,311 / month

NOTE: Although this chart ends at 40 years and 11 months, there is no limit on the amount of service that can be used to compute the FERS basic benefit.

Easy FERS Calculation (1.1 Percent)												
Use or employees retiring at age 62 or older with 20 or more years of service.												
Yrs.	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
1	.011000	.000917	.001833	.002750	.003667	.004583	.005500	.006417	.007333	.008250	.009167	.010083
2	.022000	.011917	.023833	.024750	.025667	.026583	.027500	.028417	.029333	.030250	.031167	.032083
3	.033000	.033917	.034833	.035750	.036667	.037583	.038500	.039417	.040333	.041250	.042167	.043083
4	.044000	.044917	.045833	.046750	.047667	.048583	.049500	.050417	.051333	.052250	.053167	.054083
5	.055000	.055917	.056833	.057750	.058667	.059583	.060500	.061417	.062333	.063250	.064167	.065083
6	.066000	.066917	.067833	.068750	.069667	.070583	.071500	.072417	.073333	.074250	.075167	.076083
7	.077000	.077917	.078833	.079750	.080667	.081583	.082500	.083417	.084333	.085250	.086167	.087083
8	.088000	.088917	.089833	.090750	.091667	.092583	.093500	.094417	.095333	.096250	.097167	.098083
9	.099000	.099917	.100833	.101750	.102667	.103583	.104500	.105417	.106333	.107250	.108167	.109083
10	.110000	.110917	.111833	.112750	.113667	.114583	.115500	.116417	.117333	.118250	.119167	.120083
11	.121000	.121917	.122833	.123750	.124667	.125583	.126500	.127417	.128333	.129250	.130167	.131083
12	.132000	.132917	.133833	.134750	.135667	.136583	.137500	.138417	.139333	.140250	.141167	.142083
13	.143000	.143917	.144833	.145750	.146667	.147583	.148500	.149417	.150333	.151250	.152167	.153083
14	.154000	.154917	.155833	.156750	.157667	.158583	.159500	.160417	.161333	.162250	.163167	.164083
15	.165000	.165917	.166833	.167750	.168667	.169583	.170500	.171417	.172333	.173250	.174167	.175083
16	.176000	.176917	.177833	.178750	.179667	.180583	.181500	.182417	.183333	.184250	.185167	.186083
17	.187000	.187917	.188833	.189750	.190667	.191583	.192500	.193417	.194333	.195250	.196167	.197083
18	.198000	.198917	.199833	.200750	.201667	.202583	.203500	.204417	.205333	.206250	.207167	.208083
19	.209000	.209917	.210833	.211750	.212667	.213583	.214500	.215417	.216333	.217250	.218167	.219083
20	.220000	.220917	.221833	.222750	.223667	.224583	.225500	.226417	.227333	.228250	.229167	.230083
21	.231000	.231917	.232833	.233750	.234667	.235583	.236500	.237417	.238333	.239250	.240167	.241083
22	.242000	.242917	.243833	.244750	.245667	.246583	.247500	.248417	.249333	.250250	.251167	.252083
23	.253000	.253917	.254833	.255750	.256667	.257583	.258500	.259417	.260333	.261250	.262167	.263083
24	.264000	.264917	.265833	.266750	.267667	.268583	.269500	.270417	.271333	.272250	.273167	.274083
25	.275000	.275917	.276833	.277750	.278667	.279583	.280500	.281417	.282333	.283250	.284167	.285083
26	.286000	.286917	.287833	.288750	.289667	.290583	.291500	.292417	.293333	.294250	.295167	.296083
27	.297000	.297917	.298833	.299750	.300667	.301583	.302500	.303417	.304333	.305250	.306167	.307083
28	.308000	.308917	.309833	.310750	.311667	.312583	.313500	.314417	.315333	.316250	.317167	.318083
29	.319000	.319917	.320833	.321750	.322667	.323583	.324500	.325417	.326333	.327250	.328167	.329083
30	.330000	.330917	.331833	.332750	.333667	.334583	.335500	.336417	.337333	.338250	.339167	.340083
31	.341000	.341917	.342833	.343750	.344667	.345583	.346500	.347417	.348333	.349250	.350167	.351083
32	.352000	.352917	.353833	.354750	.355667	.356583	.357500	.358417	.359333	.360250	.361167	.362083
33	.363000	.363917	.364833	.365750	.366667	.367583	.368500	.369417	.370333	.371250	.372167	.373083
34	.374000	.374917	.375833	.376750	.377667	.378583	.379500	.380417	.381333	.382250	.383167	.384083
35	.385000	.385917	.386833	.387750	.388667	.389583	.390500	.391417	.392333	.393250	.394167	.395083
36	.396000	.396917	.397833	.398750	.399667	.400583	.401500	.402417	.403333	.404250	.405167	.406083
37	.407000	.407917	.408833	.409750	.410667	.411583	.412500	.413417	.414333	.415250	.416167	.417083
38	.418000	.418917	.419833	.420750	.421667	.422583	.423500	.424417	.425333	.426250	.427167	.428083
39	.429000	.429917	.430833	.431750	.432667	.433583	.434500	.435417	.436333	.437250	.438167	.439083
40	.440000	.440917	.441833	.442750	.443667	.444583	.445500	.446417	.447333	.448250	.449167	.450083

Locate your years and months of service and multiply the decimal by your high-3 average salary.

Example:	
33 years and 4 months of service	.366667 x \$83,205 = \$30,508 / year or
High-three average salary: \$83,205	\$2,542 / month

NOTE: Although this chart ends at 40 years and 11 months, there is no limit on the amount of service that can be used to compute the FERS basic benefit.

FERS MRA + 10	FERS
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FERS employees (or former employees) who have reached their MRA but do not have enough years of service to be eligible for a full benefit under a voluntary retirement or deferred retirement, may apply for a reduced benefit if they have at least 10 years of creditable service. This benefit is commonly referred to as an MRA + 10 retirement benefit. The age and service requirement for MRA + 10 are as follows:

Age	Years of service
MRA	10 – 29
60 or 61	10 – 19
62 or over	Does not apply

The basic FERS benefit is reduced by five-twelfths of one percent for each full month the retirement date precedes the employee’s 62nd birthday (five percent for each year). This is a permanent reduction and does not increase when the retiree reaches age 62. However, an employee can postpone receiving a benefit to lower all or part of the reduction.

Use the FERS 5% Age Reduction Chart to determine the age reduction factor. For a TransFERS employee, the reduction applies to both the CSRS and FERS components.

FERS Reduced Benefit Formula						
Example: Calculate the FERS Reduced Benefit for MRA + 10						
At age 57, John has 11 years and 8 months of creditable service. His high-three average salary is \$83,205. His MRA + 10 retirement is computed as follows:						
1%	x	\$83,205	x	11.667 (11 years and 8 months)	=	\$9,707* / year or \$808 / month
Basic benefit	x	Age reduction factor	=	Reduced benefit		
\$9,707	x	.7542	=	\$7,321 / year or \$610 / month		

*Under the MRA + 10 type of retirement, employees are not eligible for the FERS annuity supplement.

If an employee is eligible for an MRA+10 retirement annuity upon separation but postpones the start date, the group health and life insurance coverage terminates during the postponement. The separated employee may elect individual health and life insurance policies and temporary continuation of FEHB. At the time the postponed annuity begins, FEGLI and FEHB may be reinstated based on the coverage at separation and the employee’s eligibility to continue coverage into retirement. The annuitant may elect to reduce FEGLI coverage during the retirement processing and may reenroll in the FEHB program if he or she met the usual requirements for continuing coverage into retirement at separation.

FERS MRA + 10**FERS**

To calculate the MRA + 10 reduction, multiply the FERS basic benefit by the applicable factor from the following chart.

FERS 5% Age Reduction Chart												
Yrs.	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
55	.6542	.6583	.6625	.6667	.6708	.6750	.6792	.6833	.6875	.6917	.6958	.7000
56	.7042	.7083	.7125	.7167	.7208	.7250	.7292	.7333	.7375	.7417	.7458	.7500
57	.7542	.7583	.7625	.7667	.7708	.7750	.7792	.7833	.7875	.7917	.7958	.8000
58	.8042	.8083	.8125	.8167	.8208	.8250	.8292	.8333	.8375	.8417	.8458	.8500
59	.8542	.8583	.8625	.8667	.8708	.8750	.8792	.8833	.8875	.8917	.8958	.9000
60	.9042	.9083	.9135	.9167	.9208	.9250	.9292	.9333	.9375	.9417	.9458	.9500
61	.9542	.9583	.9625	.9667	.9708	.9750	.9792	.9833	.9875	.9917	.9958	1.000

NOTE: OPM uses six decimal places; this chart has been rounded to four.

Items needed for a postponed MRA + 10 Retirement (Obtain the following documentation prior to your separation from Federal employment.)	
Proof of 5 years of FEHB coverage	<ul style="list-style-type: none"> • SF 2809/2810 Federal Employees Health Benefits (FEHB) Forms • History reports and/or screen shots from on-line enrollment systems • Must show old plan, new plan and effective dates as evidence of coverage as family member under another's FEHB enrollment • TRICARE/CHAMPUS • Signed memo from agency detailing 5 years continuous coverage • Documentation of 5 years of payroll deductions should also be submitted
Proof of 5 years of FEGLI coverage	<ul style="list-style-type: none"> • SF 2817 or SF 176 • SF 50s showing any FEGLI changes in 5 years immediately prior to retirement • As last resort, submit sufficient payroll records to establish 5 years of coverage
Statement of Federal Service	<ul style="list-style-type: none"> • Certified Summary of Federal Service SF 3107-1 https://www.opm.gov/forms/pdf_fill/sf3107.pdf, or retirement estimate with summary of service included • Retain copies of your SF50s, Personnel Action statement, which shows changes in work schedule, retirement coverage and significant career changes, and your final leave and earnings statement
FERS Application for Deferred or Postponed Retirement	<ul style="list-style-type: none"> • Form RI 92-19 https://www.opm.gov/forms/pdf_fill/ri92-19.pdf

FERS: Special Retirement Provisions	FERS
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Special retirement provisions apply to law enforcement officers, firefighters, and air traffic controllers.

An employee must meet one of the age **and** service requirements below at separation in order to be eligible for retirement under the special provision:

Age*	Service as Law Enforcement Officer, Firefighter or Air Traffic Controller
50	20 years
Any Age	25 years

FERS Formula					Total
1.7%	x	High 3	x	First 20 years of service	=
1.0%	x	High 3	x	Remaining years and months of service	=
Sum of entries in the Total column					Basic benefit

FERS Formula					Total	
1.7%	x	\$100,000	x	20	=	\$34,000
1.0%	x	\$100,000	x	5.5	=	\$5,500
Annual Unreduced Basic Benefit						\$39,500
Monthly Unreduced Basic Benefit						\$3,291

LEOs and Firefighters are required to retire at age 57 or after completing 20 years of covered FERS service. Air Traffic Controllers are required to retire at age 56 or after completing 20 years of covered service.

Notes:

Easy FERS Factor Chart for Law Enforcement Officers, Firefighters, and Air Traffic Controllers												
Yrs.	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
1	.017000	.018417	.019833	.021250	.022667	.024084	.025500	.026917	.028334	.029750	.031167	.032583
2	.034000	.035417	.036833	.038250	.039667	.041084	.042500	.043917	.045334	.046750	.048167	.049583
3	.051000	.052417	.053833	.055250	.056667	.058084	.059500	.060917	.062334	.063750	.065167	.066583
4	.068000	.069417	.070833	.072250	.073667	.075084	.076500	.077917	.079334	.080750	.082167	.083583
5	.085000	.086417	.087833	.089250	.090667	.092083	.093500	.094917	.096333	.097750	.099167	.100583
6	.102000	.103417	.104833	.106250	.107667	.109083	.110500	.111917	.113333	.114750	.116167	.117583
7	.119000	.120417	.121833	.123250	.124667	.126083	.127500	.128917	.130333	.131750	.133167	.134583
8	.136000	.137417	.138833	.140250	.141667	.143083	.144500	.125917	.147333	.148750	.150167	.151583
9	.153000	.154417	.155833	.157250	.158667	.160083	.161500	.162917	.164333	.165750	.167167	.168583
10	.170000	.171417	.172833	.174250	.175667	.177083	.178500	.179917	.181333	.182750	.184167	.185583
11	.187000	.188417	.189833	.191250	.192667	.194083	.195500	.196917	.198333	.199750	.201167	.202583
12	.204000	.205417	.206833	.208250	.209667	.211083	.212500	.213917	.215333	.216750	.218167	.219583
13	.221000	.222417	.223833	.225250	.226667	.228083	.229500	.230917	.232333	.233750	.235167	.236583
14	.238000	.239417	.240833	.242250	.243667	.245083	.246500	.247917	.249333	.250750	.252167	.253583
15	.255000	.256417	.257833	.259250	.260667	.262083	.263500	.264917	.266333	.267750	.269167	.270583
16	.272000	.273417	.274833	.276250	.277667	.279083	.280500	.281917	.283333	.284750	.286167	.287583
17	.289000	.290417	.291833	.293250	.294667	.296083	.297500	.298917	.300333	.301750	.303167	.304583
18	.306000	.307417	.308833	.310250	.311667	.313083	.314500	.315917	.317333	.318750	.320167	.321583
19	.323000	.324417	.325833	.327250	.328667	.330083	.331500	.332917	.334333	.335750	.337167	.338583
20	.340000	.340833	.341667	.342500	.343333	.344167	.345000	.345833	.346667	.347500	.348333	.349167
21	.350000	.350833	.351667	.352500	.353333	.354167	.355000	.355833	.356667	.357500	.358333	.359167
22	.360000	.360833	.361667	.362500	.363333	.364167	.365000	.365833	.366667	.367500	.368333	.369167
23	.370000	.370833	.371667	.372500	.373333	.374167	.375000	.375833	.376667	.377500	.378333	.379167
24	.380000	.380833	.381667	.382500	.383333	.384167	.385000	.385833	.386667	.387500	.388333	.389167
25	.390000	.390833	.391667	.392500	.393333	.394167	.395000	.395833	.396667	.397500	.398333	.399167
26	.400000	.400833	.401667	.402500	.403333	.404167	.405000	.405833	.406667	.407500	.408333	.409167
27	.410000	.410833	.411667	.412500	.413333	.414167	.415000	.415833	.416667	.417500	.418333	.419167
28	.420000	.420833	.421667	.422500	.423333	.424167	.425000	.425833	.426667	.427500	.428333	.429167
29	.430000	.430833	.431667	.432500	.433333	.434167	.435000	.435833	.436667	.437500	.438333	.439167
30	.440000	.440833	.441667	.442500	.443333	.444167	.445000	.445833	.446667	.447500	.448333	.449167

The FERS formula on the previous page explains how your benefit is calculated. You may also use this Easy FERS Calculation Chart on this page to estimate your basic benefit. Simply locate your years and months of service on the chart and multiply the decimal by your high-3 average salary.

Example:	
25 years and 6 months of service High-3 average salary: \$100,000	.39500 x \$100,000 = \$39,500 / year or \$3,291 / month

NOTE: Although this chart ends at 30 years and 11 months, there is no limit on the amount of the FERS basic benefit.

FERS: Part-Time Service

FERS

Calculate the high-3 average using:	Credit the service as:	Prorate the service:
Full-time basic pay rates	Hours actually worked	Divide the total hours worked by the total hours the employee would have worked if he or she had worked full time.

Example: Calculate high-3 for part-time service	
<p>Celine worked for the Department of Justice for 20 years. She worked part time, 32 hours per week.</p> <p>Her full-time high-3 is \$60,000 even though she is only earning \$48,000 per year by working 32 hours per week. The high-three average salary is based on the full-time pay rates even when the employee is working a part-time schedule.</p>	
Determine the total hours worked.	$20 \text{ years} \times 32 \text{ hours} \times 52 \text{ weeks} = 33,280 \text{ hours}$
Determine the total hours the employee would have worked if she had been employed full time (using a 2,087 hour work year).	$20 \text{ years} \times 2087 \text{ hours} = 41,740 \text{ hours}$
Determine the percentage of full-time hours actually worked.	$33,280 \text{ hours} / 41,740 \text{ hours} = 80\%$
Multiply the part-time percentage by the full-time benefit that was computed using the general FERS formula and the full-time high-3.	$20 \text{ years} \times 1\% \times \$60,000 = \$12,000 / \text{year}$ or $\$1,000 / \text{month}$ $\$12,000 \times 80\% = \$9,600 / \text{year}$ or $\$800 / \text{month}$

Notes:

FERS Retiree Annuity Supplement**FERS****What is the FERS Retiree Annuity Supplement?**

- The FERS Supplement provides a bridge between retirement and the age you become eligible for Social Security which is age 62; not the full Social Security retirement age which is 65 – 67
- There is not a separate application for the FERS Supplement, it is included when your FERS retirement claim is finalized
- The Supplement is NOT included in interim pay while retirement benefit is being processed by OPM (but will be paid retroactively)

Eligibility for the FERS Retiree Annuity Supplement:

- The FERS Supplement is paid by OPM to FERS retirees who are under age 62 and retire under an immediate, unreduced retirement and is included in the FERS basic retirement benefit
- The Supplement is paid after reaching the FERS MRA for early retirees (see page 1-8)
- The Supplement is not payable to individuals retiring under immediate or postponed MRA + 10 retirements (See pages 1-38/39 for information about MRA + 10 retirements)
- The Supplement is paid to Special Provisions retirees (see page 1-8) **immediately** at retirement and is not subject to an earnings limit until they reach FERS MRA

Calculation for the FERS Retiree Annuity Supplement:

- The value of the FERS Supplement approximates the Social Security benefit but it is based only on FERS **civilian** service. Time spent performing military service during a period covered by military leave with pay or leave without pay from civilian service is counted as civilian service and may be subject to a military service deposit
- The Supplement is calculated for TransFERS employees using the service only after the transfer to FERS
- The FERS Supplement does NOT receive any cost-of-living adjustments

Steps for Estimating the Retiree FERS Supplement	Example
1. Estimate the Social Security benefit as if you were age 62, using all Social Security wages (Estimates are available at www.ssa.gov).	\$1,600
2. Calculate civilian service creditable under FERS rounded to the nearest full year.	30 years
3. Divide the years of FERS service by 40.	$30 \div 40 = .75$
4. Multiply the career Social Security benefit by the amount determined in step 3.	$\$1,600 \times 75\% =$ A supplement of \$1,200 per month or \$14,400 / year

FERS Supplement Earnings Limit

- The FERS Supplement is subject to an annual earnings test, which means the supplement is reduced by \$1 for every \$2 earned above the annual limit (the 2023 limit was \$21,240 and the 2024 limit is \$22,320). Earnings include wages, salaries, and net income from self-employment. Not included as wages against the earnings limit are retirement income, lump sum annual leave payment, investment income, survivor benefits, and gifts or inheritances.
- Every year you are in receipt of the supplement, you will receive an annual earnings survey by mail (usually in May) where you will declare your earnings for the prior year or since your date of retirement in the prior year. The appropriate adjustment, if applicable, is made effective July 1st and reflected in your August 1st FERS annuity payment.

EXAMPLE: Judy retired August 31, 2023. Her FERS supplement provides \$1,450 / month. She returned to work for a government contractor in September 2023. From September through December, she earned \$25,000 in wages, exceeding the 2023 earnings limit by \$3,760 (\$25,000 - \$21,240). Her FERS supplement will be reduced in July 2024 by \$1,880 / year (\$3,760 / 2), or \$156 / month. She will continue to receive a reduced amount of \$1,294 / month. Suppose Judy continues working throughout 2024 and earns \$75,000 during the year. When she receives her earnings survey in 2025, her 2024 earnings will exceed the 2024 earnings limit of \$22,320 by \$52,680. In July 2025, her supplement will be reduced by \$2,195 a month ($\$52,680 / 2 = \$26,340 / 12 = \$2,195$), which will result in the supplement being terminated.

EXAMPLE: Ryan retired on December 31, 2023 as a special agent at age 51 under FERS law enforcement provisions. He is receiving a FERS supplement based on his 27 years of service of \$1,200 per month. He goes to work in the private sector in January 2024 and will earn \$120,000 a year in wages. Ryan will not report his earnings to OPM until he reaches age 57 (his Minimum Retirement Age). In the year he reaches his MRA, he will start reporting his wages beginning with the month after he reaches his MRA. Until then, his post-retirement earnings will not affect his FERS supplement.

- If the supplement was previously reduced to \$0 after responding to the survey, and you have since reduced your income, you may qualify for restoration of your supplement. (Note: If you are no longer receiving your supplement, then a survey will not be sent out to you.) Your supplement will be restored retroactive to January 1st following the year your income decreased below the annual limit. For general questions, please contact OPM's Retirement Information Office at 1-888-767-6738 or retire@opm.gov.
- For OPM to make a formal decision on your request, you must submit a copy of your complete tax return package for a review of work earnings for the tax year in question. If you filed a joint tax return, please also include any W2s of your spouse so the income reported on your tax return can be accounted for and verified. Please either fax (202) 606-0022 or mail this information to OPM's Retirement Surveys and Students Branch:

U.S. Office of Personnel Management
Retirement Surveys and Students, TRB – 2416
FERS Supplement Restoration
1900 E Street, NW
Washington, DC 20415

Disability Retirement for CSRS and Offset**CSRS**

Once approved for Disability Retirement, until you reach the age of 60, there are two ways you might lose entitlement to this retirement:

- **Restoration of Health:** The health issue that caused your disability improves and is no longer a factor in your ability to do your job.
- **Restoration to Earning Capacity:** If under age 60, you must report income from wages or self-employment to OPM. If that income equals at least 80% of the current rate of pay for the position the annuitant occupied immediately prior to retirement, then earning capacity is considered restored.

NOTE: For employees covered under provisions for Law Enforcement Officer; Firefighter; Nuclear Materials Courier; Customs and Border Protection Officer; Member of the Supreme Court Police; Member of the Capitol Police; and Air Traffic Controller:

- You may be entitled to an enhanced calculation of your disability retirement benefit where your annuity computation may be pro-rated to reflect a more generous computation for your “covered” service, even though you did not meet the age or service requirement to qualify for an enhanced retirement under current law at the time of your disability retirement.

FOR CSRS Employees who qualify for 40% of their high-three average salary or more (normally with 21 years and 11 months of service) or are age 60 or older generally receive a disability benefit based on their earned annuity under CSRS and CSRS Offset.

All others receive a guaranteed minimum disability benefit, which is the lesser of:

- 40 percent of the employee’s high-3 average salary
- The benefit computed under the general formula, using the years and months of service the employee would have completed if he or she would have been employed to age 60

CSRS-Offset employees are required to apply for Social Security disability benefits. The amount of the Civil Service disability benefit will be offset by any amount received from Social Security.

Example: Determining the Disability Benefit

Joe is 52 years old with 30 years of service. Due to an automobile accident, he is no longer able to perform his duties as a Park Ranger for the National Park Service. He has been approved for disability retirement since there are no other positions available at his pay grade that he is qualified to perform.

Joe will receive a benefit computed on his 30 years of service (56.25% of his high-3 average salary). There will be no reduction for being under age 55.

NOTE: This information does not pertain to benefits under the Office of Workers’ Compensation Programs (OWCP) for employment-related injuries and occupational diseases.

Disability Retirement for FERS and TransFERS	FERS
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Employees who apply for FERS disability retirement are required to apply for Social Security disability benefits.

In general, employees who transfer to FERS are covered by FERS disability rules and will not have a separate CSRS component unless their earned benefit is greater than the FERS disability calculation.

The FERS disability benefit is recalculated after the first 12 months and then recalculated at age 62.

FERS Disability Formulas			
First 12 months	60% of high-3	–	100% of Social Security benefit, if entitled = Disability benefit
Starting the 13th month	40% of high-3	–	60% of Social Security benefit, if entitled = Disability benefit
Starting at age 62	The amount the retiree would have received if he or she had worked until the day before his or her 62nd birthday.		= Disability benefit

Example: Calculate the Disability Benefit	
Martha has been approved for disability retirement under FERS. She has applied and has been denied for a Social Security disability benefit.	
Age: 42 Years of service: 20 High-3 average salary: \$45,000	
First 12 months	$60\% \times \$45,000 = \$27,000 / \text{year or } \$2,250 / \text{month}$
Starting the 13th month	$40\% \times \$45,000 = \$18,000 / \text{year or } \$1,500 / \text{month}$
Starting at age 62*	$40 \times 1.1\% \times \$45,000 = \$19,800 / \text{year or } \$1,650 / \text{month}$
*At age 62, Martha would have 40 years of service (20 years of actual service and 20 years receiving disability benefits). She will also be eligible for Social Security retirement benefits (even though she did not previously qualify for SS disability benefits).	

If you are already age 62 when you retire, or you meet the age and service requirements for immediate retirement, you will receive your earned FERS benefit. If an employee wishes to pay a post-1956 military deposit, the deposit must be paid before separation even though the military service may not be used in the computation until age 62.

NOTE: This information does not pertain to benefits under the Office of Workers' Compensation Programs (OWCP) for employment-related injuries and occupational diseases.

Alternative Form of Annuity

CSRS/FERS

A CSRS or FERS employee who separates from Federal service under nondisability retirement but with a life-threatening medical condition may elect to receive a lump-sum credit of retirement contributions (including unrefunded retirement contributions, civilian service credit deposits, and military service credit deposits) and will receive an actuarially reduced retirement benefit.

The election of this Alternative Form of Annuity (AFA) does not affect the value of the survivor benefit, but does require the consent of the current spouse. In the case of a former spouse who is entitled by court order to a survivor benefit or a portion of the retirement benefit, the law prohibits election of an AFA even if the former spouse consents.

A physician's statement certifying the existence of a life-threatening condition must be attached to the retirement application along with a statement indicating interest in making the AFA election.

The following are examples of life-threatening conditions:

- Class IV (any physical activity brings on discomfort and symptoms that occur at rest) cardiac disease with congestive heart failure
- Respiratory failure
- Emphysema with respiratory failure
- Cardiac aneurysm
- Active AIDS
- Aplastic anemia

The reduction to the benefit is based on the retiree's age at the time of retirement and the amount of the lump-sum credit. If an employee owes any redeposits or deposits for civilian service and elects the AFA, the redeposits and deposits are deemed to have been paid when computing the retirement benefit. Post-56 military service deposits are not deemed made under the AFA provisions and must be paid to the employing agency before retirement.

Notes:

Cost-of-Living Adjustment

CSRS/FERS

The U.S. Department of Labor calculates the change in the Consumer Price Index (CPI-W) for urban wage earners and clerical workers. The amount of a COLA is determined by the percent change in the third quarter (July, August, September) price index from the previous year to the year in which the COLA is to become effective. This change is used to determine the cost-of-living adjustment (COLA) for Federal retirees and is not the same as the adjustment employees receive on their salaries each year. A COLA is effective on December 1 and payable in the January retirement check. The January COLA is a reflection of inflation over the previous year.

Recent History of COLA for Retirees					
January	CSRS	FERS	January	CSRS	FERS
2011	0%	0%	2018	2.0%	2.0%
2012	3.6%	2.6%	2019	2.8%	2.0%
2013	1.7%	1.7%	2020	1.6 %	1.6 %
2014	1.5%	1.5%	2021	1.3%	1.3%
2015	1.7%	1.7%	2022	5.9%	4.9%
2016	0%	0%	2023	8.7%	7.7%
2017	0.3%	0.3%	2024	3.2%	2.2%

COLA Provisions for CSRS and FERS		
	CSRS	FERS
COLAs are provided for . . .	All retirees and survivor annuitants	<ul style="list-style-type: none"> Retirees who are age 62 or older Retirees of any age who are retired under disability, including military reserve technicians who are medically disqualified for military service or the rank required to hold their positions Retirees of any age who retired under special provisions for law enforcement officers, air traffic controllers, and firefighters Survivor annuitants
COLAs are adjusted by . . .	The percentage increase in the CPI	The percentage increase in the CPI up to 2%. If the CPI is: <ul style="list-style-type: none"> More than 2% but less than 3%, the adjustment will be 2% 3% or more, the FERS benefit is adjusted by the CPI minus 1%
The first COLA you receive as a retiree is . . .	Prorated based on how many months you were retired prior to the date of the COLA	Prorated based on months you were retired prior to the date of the COLA. If you are not eligible to receive a COLA during the first year (or more) of retirement, the initial COLA you receive after turning age 62 is not prorated.

Reemployed Annuitants**CSRS/FERS**

Reemployed annuitants have separated from Federal service for retirement and subsequently return to Federal employment. Generally, reemployed annuitants continue to receive their full annuity benefit during their reemployment but their salary is offset by the amount of the annuity attributable to the period of reemployment. However, this is not always the case. In recent years, changes have been made to allow Federal retirees to return to Federal employment in a variety of capacities such as the Phased Retirement option that is currently being implemented.

Here are some options for Federal employees to return to Federal employment:

- Dual compensation waiver
 - The National Defense Authorization Act of 2015 extended a variation of the reemployed annuitant program that avoids the salary offset. Under this provision, reemployed individuals can only serve under limited appointments.
- Work for a company that has a contract with the Federal government
 - An agreement about work schedule, salary and any other benefits would be discussed as part of the employment agreement.
 - These jobs are available from government contractors and consulting firms.
- Agreement between a retiree and his or her agency to be rehired under a personal services contract
 - For tax purposes, contract workers are self-employed and responsible for both the employer and employee share of taxes due.
 - Under this arrangement, you are no longer a Federal employee and are not protected under the rights and benefits of Federal employees.
 - The costs of health and life insurance premiums would be deducted from CSRS or FERS retirement benefit.

Resources for Reemployed Annuitants	
Office of Personnel Management Dual Compensation Waiver	https://www.opm.gov/policy-data-oversight/hiring-information/dual-compensation-waivers/
CSRS / FERS Handbook, Chapter 100 Reemployed Annuitants	www.opm.gov/retire/pubs/handbook/C100.pdf
Volunteer with National Park Service	https://www.aarp.org/work/job-hunting/info-03-2012/seasonal-park-jobs-for-older-workers.html
American Association of Retired Persons, Work and Retirement	www.aarp.org/work/
RetirementJobs.com Jobs for People over 50 with nationwide job listings	www.retirementjobs.com

STEP 4: Consider Survivor Benefits

CSRS/FERS

Survivor benefits are payable upon the death of the employee or retiree.

Survivor benefits payable upon death of a Federal employee

- Spousal monthly survivor benefit (spouse/former spouse)
- FERS Basic Employee Death Benefit (spouse/former spouse)
- Children's monthly survivor benefits
- Lump-sum payments

Survivor benefits payable upon death of a Federal retiree

- Elected spousal (current and/or former) monthly survivor benefit
- Insurable interest survivor benefit
- Children's monthly survivor benefits
- Lump-sum payments
- FERS Spousal Supplement

Notes:

Designation of Beneficiary**CSRS/FERS**

If you die leaving no survivors who qualify for a survivor benefit, your contributions to the retirement fund will be paid as a lump-sum payment according to your most recent valid beneficiary designation. If you did not designate a valid beneficiary, the payment will be made using the following order of precedence:

1. Your widow or widower
2. Your children, with the share of any deceased child distributed among the descendants of that child (not including stepchildren)
3. Your parents in equal shares or the entire amount to the surviving parent
4. Determined by the executor of your will or the administrator of your estate
5. The next of kin determined by OPM to be entitled under the laws of the domicile of the deceased at the date of death.

Designation of Beneficiary Forms (www.opm.gov/forms)	CSRS and FERS
Retirement contributions and final retirement payment	SF 3102
Unpaid Compensation of Deceased Civilian Employee (last paycheck and annual leave)	SF 1152
FEGLI (Federal Employees Group Life Insurance)	SF 2823
TSP (Thrift Savings Plan) Found at www.tsp.gov	My Account at tsp.gov

Notes:

Spousal Survivor Benefit – Federal Employee

CSRS/FERS

CSRS Spousal Survivor Benefits payable upon death of a Federal Employee

The survivor benefit for your spouse (or former spouse with court order) will be as follows if you have at least 5 years of civilian Federal service:

- If you have 22 or more years of service, the survivor benefit will be 55 percent of your earned retirement benefit calculated as if you retired on the date of death (regardless of age).
- If you have fewer than 22 years of service, the survivor benefit will be 55 percent of your earned retirement benefit calculated as if you retired under disability (40% of your high-three or your earned annuity projected to age 60, whichever is less).

FERS Spousal Survivor Benefits payable upon death of a Federal Employee

Your spouse will receive a lump-sum death benefit of \$41,568.31 (2024 rate, effective 12/01/2023 – 11/30/2024) plus 50 percent of your final salary (or high-3 salary, if greater) if you have at least 18 months of Federal service.

If you have completed at least 10 years of total creditable service (minimum 5 years of civilian service), your spouse will also receive a monthly survivor benefit. The amount will be computed as if you retired voluntarily, with no age reduction, on the date of death. Your surviving spouse will receive 50 percent of the basic retirement benefit. (This is also payable upon the death of a former employee under certain circumstances.)

CSRS/FERS Qualifying Criteria for Former Spouse Survivor Benefit

A former spouse may receive a survivor benefit if:

- The marriage to the employee lasted at least 9 months; and
- He or she was awarded a survivor benefit by court order or decree in a divorce taking place after May 6, 1985 (a court order has priority over a current spouse's benefit); and
- He or she did not remarry before age 55 (unless the marriage between the employee and the former spouse lasted at least 30 years).

Notes:

Children's Survivor Benefit**CSRS/FERS**

This benefit is payable to dependent children upon the death of an employee or retiree with no election required. Someone will need to apply for this benefit on behalf of the eligible child or children. A dependent child is defined as:

- A child who:
 - Is a natural child;
 - Is adopted;
 - Is a stepchild; or
 - Was born out of wedlock and lives with the employee or retiree in a regular parent-child relationship or is supported by the employee or retiree, either by court order or by a voluntary regular and substantial contribution.
- A child who is unmarried
- A child who is under age 18 or is:
 - Age 18–22 and a full-time student; or
 - Over age 18 and was disabled prior to age 18

Children's Survivor Benefits	
	Amount Payable to Survivor
CSRS	<p>A fixed rate per child, determined each year.</p> <p>2024 rate (effective December 1, 2023 thru November 30, 2024):</p> <ul style="list-style-type: none"> • \$656 per month per child with a maximum of \$1,968 per month divided by the number of eligible children, if over 3 (if the child or children have a living parent who was married to the employee or retiree) • \$787 per month per child with a maximum of \$2,361 per month divided by the number of eligible children (if the child or children have no living parent who was married to the employee or retiree)
FERS	<p>A child's survivor benefit rate is calculated as follows:</p> <ol style="list-style-type: none"> 1. The total amount payable to all children under CSRS 2. Minus the total amount payable to all children by Social Security 3. Divided by the number of children <p>In many cases the Social Security benefit is greater so the FERS benefit is reduced to zero.</p>

Children's survivor benefits payable upon death in service are the same as above.

CSRS COLA rates apply to children's benefits, regardless of whether the child's parent was under CSRS or FERS.

Notes:

Current Spouse

When applying for retirement, you may elect to provide a maximum, a partial, or no survivor benefit for your current spouse. The spouse must provide consent unless a full survivor benefit is elected. The maximum or partial election ensures continued health benefits for a spouse who is covered under a self + 1 and family health plan and is not eligible for FEHB from his or her own retirement. The reduction to your benefit is on a pre-tax basis.

The requirements for spousal benefits are as follows:

- The retiree need not be in good health to make this election.
- The retiree must have been married for at least 9 months, or until the birth of the first child of their marriage. This is not a requirement in the case of accidental death.
- The benefit is payable on the day after the retiree's death and ends on the last day of the month preceding the month in which the survivor dies or remarries before age 55 (unless the survivor's marriage to the retiree lasted for at least 30 years). The benefit may be reinstated if the remarriage ends.

Guidelines for changing the benefit after retirement:

- A retiree can revoke or change a survivor election within 30 days of the first regular monthly payment. After 30 days a retiree may not **reduce** the survivor benefit elected.
- A retiree may request in writing, within 18 months of retirement, to cancel a waiver of the benefit or to **increase** a current spouse's survivor benefit election. There will be a substantial penalty for a post-retirement election to increase the election made at retirement.
- If the retiree marries after retirement, he or she may elect to provide a survivor benefit within 2 years (1 year if retired under a disability) of the marriage. The retiree will be charged as if the election were in effect during his or her entire retirement, the result being an actuarial reduction to consider the amount of unreduced benefit already received.
- The reduction for the survivor benefit ends if the spouse predeceases or divorces the retiree. (OPM must be notified.)

Notes:

Spousal Survivor Benefit Elections

CSRS/FERS

Former Spouse

A retiree may elect to provide a former spouse with survivor benefits; however, if the retiree is remarried, the current spouse must consent to this election.

This election is not necessary if the former spouse is entitled to a spousal survivor benefit pursuant to a court order.

If a court order requires that a former spouse be provided a spousal survivor benefit, to avoid any delays in the processing of your future retirement with OPM, a court-certified copy of the order should be sent to the following address at the time of divorce:

U.S. Office of Personnel Management
Retirement Services Program
Court Order Benefits Branch
P.O. Box 17
Washington, D.C. 20044-0017

If court ordered benefits are to be awarded to a former spouse, you and/or your divorce legal counsel should contact OPM for guidance in how the court order should be drafted. Otherwise, if the court order is not acceptable for processing, this could cause delays in the finalization of your retirement.

At the time of retirement, if you have a living former spouse who is entitled to a spousal survivor benefit based on a court order, you should include a certified copy of the court order with the submission of your retirement application.

A former spouse's benefit terminates upon his or her death, remarriage before age 55 (unless his or her marriage to the retiree lasted 30 years or more), or the terms established in a court order. The benefit may **not** be reinstated if the remarriage ends.

If you have remarried at the time of your retirement, make your spousal election in the manner that would be preferred if there were no benefit payable to a former spouse. In the event that your former spouse loses entitlement by death or remarriage prior to age 55, the election made at retirement will prevail.

Notes:

CSRS Spousal Survivor Benefit		CSRS
zSurvivor Benefits for a Current Spouse or Eligible Former Spouse		
	Survivor Benefit	Reduction to Retirement Benefit
CSRS Maximum	55% of the unreduced CSRS benefit <i>(may be reduced for early retirement and nondeduction deposit)</i>	2.5% of the first \$3,600 + 10% of any amount over \$3,600
CSRS Partial	55% of the elected dollar amount (not to exceed the benefit amount)	2.5% of the elected dollar amount up to \$3,600; 10% of any amount over \$3,600
Example: Survivor Benefits for a Current Spouse or Eligible Former Spouse		
	Survivor Benefit	Retirement Annuity With Reduction
CSRS Maximum	Unreduced CSRS benefit = \$60,000 55% x \$60,000 = \$33,000 / year or \$2,750 / month	2.5% x \$3,600 = \$90 10% x (\$60,000 – \$3,600) = \$5,640 \$90 + \$5,640 = \$5,730 / year or \$477 / month \$60,000 – \$5,730 = \$54,270 / year or \$4,522 / month
CSRS Partial	Unreduced CSRS benefit = \$60,000 Partial election = \$10,000 base 55% x \$10,000 = \$5,500 / year or \$458 / month	2.5% x \$3,600 = \$90 10% x (\$10,000 – \$3,600) = \$640 \$90 + \$640 = \$730 / year or \$60 / month \$60,000 – \$730 = \$59,270 / year or \$4,939 / month

CSRS Offset

A spousal survivor benefit payable upon the death of a CSRS Offset retiree is calculated in the same manner as shown above. However, the amount may be reduced if the spouse is eligible for Social Security survivor benefits based on the decedent’s Federal service covered by Social Security.

If Social Security survivor benefits are payable, the surviving spouse receives full CSRS survivor benefits until he or she becomes entitled to Social Security survivor benefits (this normally occurs at age 60); however, such benefits may begin before age 60 if the surviving spouse is disabled or has a minor child in care. When the spouse becomes entitled to Social Security survivor benefits, the CSRS survivor annuity is reduced (offset) by the amount of the Social Security survivor's benefit attributable to the period the deceased annuitant was under CSRS Offset.

The reduction (Offset) of a CSRS survivor annuity stops on the date the survivor loses eligibility for Social Security survivor benefits due to **any** of the following reasons:

- The survivor becomes eligible for a Social Security benefit based on his or her own earnings (this normally occurs at age 62) **and the benefit exceeds the survivor benefit;**
- The survivor remarries before age 60; or
- The Social Security benefit stops because a minor child reaches age 16 and the survivor is under age 60.

NOTE: Entitlement to a Social Security survivor benefit is not considered terminated when the benefit payable is reduced to zero due to the application of the Social Security "earnings test."

FERS Spousal Survivor Benefit**FERS**

Survivor Benefits for a Current Spouse or Eligible Former Spouse		
	Survivor Benefit	Reduction to Retirement Benefit
FERS Maximum	50% of the unreduced FERS benefit*	10% of the FERS benefit
FERS Partial	25% of the unreduced FERS benefit*	5% of the FERS benefit
Example: Survivor Benefits for a Current Spouse or Eligible Former Spouse		
	Survivor Benefit	Retirement Annuity With Reduction
FERS Maximum	Unreduced FERS benefit = \$30,000 50% x \$30,000 = \$15,000 / year or \$1,250 / month	10% x \$30,000 = \$3,000 \$30,000 – \$3,000 = \$27,000 / year or \$2,250 / month
FERS Partial	Unreduced FERS benefit = \$30,000 25% x 30,000 = \$7,500 / year or \$625 / month	5% x \$30,000 = \$1,500 / year or \$125 / month \$30,000 – \$1,500 = \$28,500 / year or \$2,375 / month

* MRA + 10 age reduction applies

FERS Spousal Supplement

A surviving spouse of a FERS retiree may be eligible to receive an annuity supplement if he or she is:

- Entitled to a current spouse survivor benefit
- Under age 60
- Entitled to Social Security survivor benefits at age 60 (based on the deceased annuitant's employment under Social Security)
- Not presently eligible for Social Security benefits as a parent of an eligible child or for disability benefits based on the deceased's account
- The spousal annuity supplement requires determination of the amount of an assumed CSRS survivor benefit and a hypothetical Social Security calculation. Generally the surviving spouse will not get less than a spouse of a deceased retiree who was under CSRS
- The supplementary annuity payable is the lesser of:
 - The amount by which the assumed CSRS survivor annuity exceeds the FERS survivor annuity; or
 - The amount of the hypothetical Social Security spousal survivor benefit

TransFERS

Survivor benefits are computed and paid under FERS rules. The benefit is not pro-rated with a separate CSRS component.

Notes:

Insurable Interest Survivor Benefit

CSRS/FERS

At retirement, an employee may elect a reduced benefit to provide an insurable interest benefit to a current or former spouse or other beneficiary who has an "insurable interest" in the employee. An individual has an *insurable interest* in you if they are benefiting from you financially while you are alive.

The requirements for this election are:

- You are responsible for arranging and paying the costs of a current medical examination showing that you are in good health.
- You must not retire under disability.
- Spousal consent is not required. However, in the case of a married retiring employee, an insurable interest election may not be made on behalf of a current spouse unless the current spouse has consented to an election not to provide a regular current spouse survivor annuity.

If the person is not a close relative, you must provide proof that he or she depends on you for support by submitting an affidavit(s) from one or more persons with personal knowledge of the relationship. The affidavit(s) must set forth:

- The relationship, if any, between the employee and the person named to receive the annuity;
- The extent to which that person is dependent on the employee; and
- The reasons why he or she might reasonably expect to derive financial benefit from the employee's continued life.

The affidavit(s) should be attached to the retirement application.

Insurable Interest Survivor Benefit		
	Survivor Benefit	Reduction to Retirement Benefit
CSRS or FERS	55% of the reduced benefit (reductions for age, unpaid deposit, and survivor benefit elections)	<ul style="list-style-type: none"> • 10% if person named is older, the same age, or fewer than 5 years younger than retiree • 15% if between 5 and 9 years younger • 20% if between 10 and 14 years younger • 25% if between 15 and 19 years younger • 30% if between 20 and 24 years younger • 35% if between 25 and 29 years younger • 40% if 30 or more years younger

Notes:

STEP 5: Retirement Processing

CSRS/FERS

- Choosing your Best Day to Retire
- Timeline for the Retirement Process
- Application for Immediate Retirement
- Checklists for Retirement

Notes:

Choosing your Retirement Date

CSRS/FERS

Now that you have determined when you can retire and the amount of your retirement benefit, you will determine the best day to retire. Choosing the right retirement date can save you hundreds and sometimes even thousands of dollars.

The following chart shows the date your benefit will start if you retire under an immediate retirement (includes Voluntary Early Retirements). Consult with your HR retirement benefits specialist if you are retiring under discontinued service, disability or deferred retirement.

Date of Retirement	Date Benefit Starts
1 st , 2 nd or 3 rd day of the month	CSRS—The following day FERS—The first day of the following month
4 th through the last day of the month	CSRS and FERS - The first day of the following month

Payment for Unused Annual Leave

An employee will receive a lump-sum payment for any unused annual leave at retirement.

An agency calculates a lump-sum payment by multiplying the number of hours of accumulated and accrued annual leave by the employee's applicable hourly rate of pay, plus other types of pay the employee would have received while on annual leave, excluding any allowances that are paid for the sole purpose of retaining a Federal employee in Government service (e.g., retention allowances and physicians' comparability allowances).

Example		Compute Hourly Pay Rate	Compute Lump Sum Payment
Leave Carry Over from Previous Year:	240	$\$75,000 / 2087 = \36 (Annual rate divided by 2087)	$\$36 \times 448 = \mathbf{\$16,128}$ If there is a 3.5% annual pay increase granted to all employees during the entire period covered by the leave, this payment would be adjusted by an additional \$535
Accumulated Leave in Year of Retirement:	$\frac{+ 208}{448}$		

NOTE: To be paid for the “use or lose” leave, the employee must be retired prior to the end of the “leave year.” For most Federal employees, the 2024 leave year will end January 11, 2025.

Your retirement will be effective on the date you elect on your retirement application. If this is a normal workday or a paid holiday, you will receive salary for that day rather than retirement pay.

The Best Day to Retire**CSRS/FERS**

Example: Choosing the Best Retirement Date		
If you retire on:	Your benefit will begin:	This choice is:
June 15	July 1 (payable August 1)	OK, but you would receive no compensation from June 16 through June 30.
June 30	July 1 (payable August 1)	Better, however, if you are covered under CSRS or CSRS Offset, consider one of the first 3 days of the next month.
July 1, 2, or 3 CSRS Only	The day after retirement (CSRS only). (payable August 1, prorated for fewer than 30 days)	Best if: <ul style="list-style-type: none"> • Doing so will add more days of paid compensation as an employee • Separation occurs at the end of a pay period so you can get one last accrual of annual leave to include in your lump-sum payment • The extra few days will add an additional month of service in the benefit calculation
December 31 or for CSRS only, January 1, 2, or 3	January 1 or for CSRS employees who retire on January 1, 2, or 3, the day following retirement (payable February 1)	Best because this date will maximize your lump-sum leave payment if your retirement is effective prior to the end of the “leave year.” CSRS should be cautious since the “new” leave year can begin prior to January 3 in some years. By retiring before the end of the leave year, you will be entitled to receive a lump-sum leave payment for any unused annual leave (accumulated and accrued). Generally, a lump-sum payment will equal the pay that you would have received had you remained employed until the expiration of the period covered by the annual leave. This lump sum payment will be taxed in the new tax year since the payment is generally received 4 – 6 weeks after separation.

2024 Leave Periods					
1	Jan 14 - Jan 27	10	May 19 - Jun 1	19	Sept 22 – Oct 5
2	Jan 28 – Feb 10	11	Jun 2 – Jun 15	20	Oct 6 – Oct 19
3	Feb 11 – Feb 24	12	Jun 16 – Jun 29	21	Oct 20 – Nov 2
4	Feb 25 – Mar 9	13	Jun 30 – July 13	22	Nov 3 – Nov 16
5	Mar 10 – Mar 23	14	July 14 – July 27	23	Nov 17 – Nov 30
6	Mar 24 – Apr 6	15	July 28 – Aug 10	24	Dec 1 – Dec 14
7	Apr 7 – Apr 20	16	Aug 11 – Aug 24	25	Dec 15 – Dec 28
8	Apr 21 – May 4	17	Aug 25 – Sept 7	26	Dec 29 – Jan 11
9	May 5 – May 18	18	Sept 8 – Sept 21		

<https://www.opm.gov/policy-data-oversight/pay-leave/leave-administration/fact-sheets/leave-year-beginning-and-ending-dates/>

Retirement Processing Timeline

CSRS/FERS

Apply for Retirement

Check with your HR office to find out how soon you should submit your retirement application. Generally, smaller agencies may want 30 days of notice or more and larger agencies may need 60 – 90 days of advance notice. It takes time for HR to compile the necessary documentation to send with your application to the payroll office and on to OPM. Keep copies of SF 50s and your completed retirement application. You will receive a final SF 50 after you have retired.

Remember, you will lose access to your personnel records (OPF, eOPF, etc) when you retire. If possible, make a copy of this file for future reference.

Forms you may need to attach to your retirement application:

- Marriage certificate
- Notarized consent of current spouse for partial or no survivor elections only
- Divorce decree (if it awards a portion of your CSRS/FERS retirement or survivor benefits)
- Military records
- Workers' Compensation pending claims
- Records of FEHB coverage under TRICARE or spouse's FEHB coverage
- Updated beneficiary forms
- Form W-2P for Federal tax withholding

Credit for Federal civilian service if you did not make retirement contributions

Prior to your retirement, payments for all FERS and CSRS eligible deposit or redeposit service must be completed. Honorable post-1956 Military Service deposits must be paid-in-full before you retire. (Page 1-10 through 1-16)

Last Paycheck and Payment for Unused Annual Leave

These are the last payments from your payroll office. The payroll office will close out your records and forward your retirement package to OPM. Payroll will also notify you about the transfer of your retirement package to OPM.

When you receive your first CSRS or FERS payment

Once OPM receives all your retirement records and determines you are entitled to an annuity, they will provide "interim" payments. These payments represent a portion of your final benefit and are usually made on the first business day of each month. These will continue until OPM finishes processing your application. Track the status of your application at OPM using www.serviceline.opm.gov after OPM mails your CSA (Retirement Claim Number) number and password.

Withholdings from Interim Payments

Only Federal income tax is withheld. You may find that the Federal income taxes withheld from your first interim payment will be higher than the Federal tax withholdings from your subsequent interim payments and regular annuity. Your health and life insurance coverage will continue while you are receiving interim pay. OPM will begin withholding health and life insurance premiums retroactive to the commencing date of your annuity when the processing of your application is complete.

You can track the status of your application at OPM using www.serviceline.opm.gov after OPM mails to your home your CSA (Retirement Claim Number) and password. If you are entitled to a FERS supplement, it will not be paid until your retirement is finalized.

When Your Application is Finalized at OPM

OPM will send you a personalized booklet titled "Your Federal Retirement Benefits". It details, among other things, how much your monthly payment will be. It also confirms such things as health and life insurance coverage and provides information you will need to prepare your tax return.

Changing your FEHB health insurance coverage after retirement

After you retire, you can change your enrollment from one plan to another during an annual Open Season. You cannot change to another plan simply because you retired.

If you are a Federal annuitant enrolled in the FEHB Program, before you cancel your FEHB coverage, see Page 3-3 for a discussion of **Suspension or Cancellation of FEHB in Retirement**. Unless you have access to FEHB through a family member, cancellation of your coverage will cancel the plan permanently for you and all your dependents.

Changing your FEGLI life insurance coverage after retirement

You can cancel or decrease your coverage at any time. You cannot increase your coverage. Once you cancel your life insurance coverage it can NEVER be reinstated.

It is a good idea to keep a contact email / phone number of your agency retirement point of contact and a payroll contact while you are transitioning from employee to annuitant.

During processing, you will receive:

- Interim payments, typically 60–80% of your estimated net annuity to help cover your expenses.
- Any health insurance coverage you elected to take into retirement.
- Access to Services Online, a website to track your retirement.

Process at a Glance

Approximately 3–5 Months Total

1. Retirement Date
Often referred to as your date of separation for retirement.
2. Agency and Payroll Processing
Your agency prepares your retirement package.
Approximately 30–45 days
3. OPM Intake
Setting you up in the system, including interim payments.
Approximately 10–15 days
4. OPM Processing
Reviewing and calculating your benefits.
Approximately 50–90 days
5. Retirement Finalized
Deposit of your first regular monthly payment.

Source: Retirement Quick Guide <https://www.opm.gov/retirement-center/quick-guide/>



Application for Immediate Retirement
Civil Service Retirement System (CSRS)

See Privacy Act
Information on
Instruction Sheet

Section A - Identifying Information

1. Name (last, first, middle)		2. List all other names you have used	
3. Address (number, street, city, state, ZIP code)		4a. Daytime area code and telephone number after retirement ()	4b. Best time to reach you
-----		4c. Home Email address	4d. FAX number ()
-----		5. Date of birth (mm/dd/yyyy)	6. All social security numbers you have used.
7. Are you a citizen of the United States of America? <input type="checkbox"/> Yes <input type="checkbox"/> No		8. Is this an application for disability retirement? <input type="checkbox"/> Yes (Ask your employing office about other documents you must submit) <input type="checkbox"/> No	

Section B - Federal Service

1. Department or agency from which you are retiring (Include bureau or division)		2. Date of final separation (mm/dd/yyyy)	
1a. Address and ZIP code		3. Title of position from which you are retiring	
-----		3a. Your pay plan and occupational series	
4. Have you performed active honorable service in the Armed Forces or other uniformed services of the United States (see SF 2801A for definitions)? <input type="checkbox"/> Yes (Complete Schedule A and attach it to this form) <input type="checkbox"/> No			
5. Are you receiving or have you applied for military retired pay? (Note: If you later become entitled to military retired pay, you must notify OPM.) <input type="checkbox"/> Yes (Complete Schedule B and attach it to this form) <input type="checkbox"/> No			

Section C - Other Claim Information

1. Are you receiving or have you applied for (or received within the past 2 years) workers' compensation from the Department of Labor because of a job-related illness or injury? <input type="checkbox"/> Yes (Complete Schedule C and attach it to this form) <input type="checkbox"/> No			
2. Have you previously filed any application under the Civil Service Retirement System or Federal Employees Retirement System (for retirement, refund, etc.)? <input type="checkbox"/> Yes (Complete items 2a and 2b below.) <input type="checkbox"/> No			
2a. Type of application		2b. Claim number(s)	
<input type="checkbox"/> Refund	<input type="checkbox"/> Return of excess deductions	<input type="checkbox"/> Deposit or redeposit	<input type="checkbox"/> Voluntary contributions
<input type="checkbox"/> Retirement			

Section D - Insurance Information

See the pamphlet SF 2801A, *Applying for Immediate Retirement Under the Civil Service Retirement System*, for information.

1. Are you eligible to continue Federal Employees Health Benefits coverage as a retiree? <input type="checkbox"/> Yes <input type="checkbox"/> No		2. Does a court or administrative order require that you provide health benefits coverage for one or more children? <input type="checkbox"/> No <input type="checkbox"/> Yes (Attach a copy of the order.)	
3. Are you eligible to continue Federal Employees' Group Life Insurance coverage as a retiree? <input type="checkbox"/> Yes <input type="checkbox"/> No			
4. Are you enrolled in the Federal Dental and Vision Insurance Program (FEDVIP)? <input type="checkbox"/> Yes → Your coverage will automatically continue into retirement as long as you continue to pay applicable premiums. Until work on your annuity is completed, you may receive bills from BENEFEDS. You must pay these bills in order to keep your FEDVIP coverage. After work on your annuity is completed, BENEFEDS will automatically begin deducting from your annuity to pay future premiums. If you have questions, please contact BENEFEDS at 1-877-888-3337. <input type="checkbox"/> No → If you retire on immediate annuity, you can enroll in FEDVIP during any Federal Benefits Open Season.		5. Are you currently enrolled in the Federal Long Term Care Insurance Program (FLTCIP)? <input type="checkbox"/> Yes → You will automatically continue your coverage into retirement, as long as you continue to pay applicable premiums. If you are currently paying FLTCIP premiums by agency payroll deduction, you must arrange to pay premiums, either by deductions from your annuity, through automatic bank debit, or direct bill. Please call LTC Partners at 1-800-LTC-FEDS (1-800-582-3337) to make these arrangements. <input type="checkbox"/> No	

Section E - Marital Information (All applicants must complete questions 1 and 2 below.)

1. Are you married now? (A marriage exists until ended by death, divorce, or annulment. You must notify the Office of Personnel Management if this marriage ends.) <input type="checkbox"/> Yes (Complete items 1a - 1f and attach a copy of your marriage certificate) <input type="checkbox"/> No (Go to item 2)			
1a. Spouse's name (last, first, middle)		1b. Spouse's date of birth (mm/dd/yyyy)	1c. Spouse's social security number(s)
1d. Place of marriage (city, state)	1e. Date of marriage (mm/dd/yyyy)	1f. Marriage performed by: <input type="checkbox"/> Clergyman or Justice of Peace <input type="checkbox"/> Other (explain):	
2. Do you have a living former spouse(s) from whom you were divorced on or after May 7, 1985, and to whom a court order gives a survivor annuity or, awards a portion of your retirement benefit based on your Federal employment? <input type="checkbox"/> Yes (Attach a certified copy of the court order[s] and any amendments.) <input type="checkbox"/> No			

Section F - Annuity Election

Make your election by initialing the box beside the type of annuity you want to receive and give any other information requested. Read the attached information on pages 2 through 5 and the explanations below and consider your election carefully. No change will be permitted after your annuity is granted except as explained on pages 7 and 8 of the attached instructions. If you are married at retirement, the law provides an annuity with full survivor benefits for your spouse unless your spouse consents to your election not to provide maximum survivor benefits. An election for your spouse ends if your marriage ends by death, divorce, or annulment.

1.

Initials

I choose a reduced annuity with maximum survivor annuity (equal to 55% of my basic annuity) for my spouse named in Section E. 1a. If you are married at retirement, you will receive this type of annuity unless your spouse consents to your election not to provide maximum survivor benefits. If your marriage ends by death, divorce, or annulment, this election terminates and you must notify the Office of Personnel Management.

2.

Initials

*I choose a reduced annuity with a partial survivor annuity (equal to 55% of \$ _____ a year) for my spouse named in Section E. 1a. If you choose this option, the amount you enter must be less than your annual annuity. You **must** have your spouse's consent. Complete SF 2801-2, *Spouse's Consent to Survivor Election*, and attach it to your application. If your marriage ends by death, divorce, or annulment, this election terminates and you must notify the Office of Personnel Management.*

3.

Initials

*I choose an annuity payable only during my lifetime. If you are married at retirement, you **cannot** choose this type of annuity without your spouse's consent. **No survivor annuity will be paid to your spouse after your death if he or she consents to this election and any health benefits will cease. In addition, your spouse will not be eligible to enroll in the Federal Long Term Care Insurance Program, if he/she is not enrolled at the time of your death.** If you are married and elect this type of annuity, complete SF 2801-2, *Spouse's Consent to Survivor Election*, and attach it to your application.*

4.

Initials

*I choose a reduced annuity with survivor annuity for the person named below who has an insurable interest in me. You must be healthy and willing to provide medical evidence if you choose this type of annuity. (Disability annuitants are not eligible to choose this type of annuity.) If you are married and elect this type of annuity, complete SF 2801-2, *Spouse's Consent to Survivor Election*, and attach it to your application. **NOTE: This election is not included in determining the 55% maximum for the combined benefit elected for a spouse and former spouse in box 5.***

Name of person with insurable interest	Relationship to you	Date of birth (mm/dd/yyyy)	Social security number
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5.

Initials

*I choose a reduced annuity with survivor annuity for my former spouse(s) or for my spouse and former spouse(s) shown below. You must attach: (1) Copies of divorce decrees for all former spouses for whom you elect to provide a survivor annuity. (2) If you are married, attach a completed SF 2801-2, *Spouse's Consent to Survivor Election*. You cannot choose this option and provide a maximum survivor annuity for your spouse (Box 1). An election for a former spouse ends if your former spouse dies or remarries before age 55, unless you were married for 30 years or longer. If one of these events occurs, this election terminates and you must notify the Office of Personnel Management.*

Name and address of current spouse			
			Survivor annuity equal to _____ % of my annuity
Name and address of former spouse	Date of marriage (mm/dd/yyyy)	Date of divorce (mm/dd/yyyy)	Survivor annuity equal to _____ % of my annuity
	Date of birth (mm/dd/yyyy)	Social security number	
Name and address of former spouse	Date of marriage (mm/dd/yyyy)	Date of divorce (mm/dd/yyyy)	Survivor annuity equal to _____ % of my annuity
	Date of birth (mm/dd/yyyy)	Social security number	
Total (cannot exceed 55% of your unreduced annuity)			_____ 0 %

Section G (Optional) - Information About Your Unmarried Dependent Children

1. Dependent child's name (first, middle, last)	2. Date of birth (mm/dd/yyyy)	3. Disabled (✓)	1. Dependent child's name (first, middle, last)	2. Date of birth (mm/dd/yyyy)	3. Disabled (✓)



Application for Immediate Retirement
Federal Employees Retirement System

See Privacy Act
Information on
Instruction Sheet

Section A - Identifying Information

1. Name (last, first, middle)		2. List all other names you have used	
3. Address (number, street, city, state, ZIP code)		4a. Daytime telephone # after retirement (including area code)	4b. Best time to reach you
-----		4c. Home email address	4d. FAX Number
-----		5. Date of birth (mm/dd/yyyy)	6. Social Security Number
7. Are you a citizen of the United States of America? <input type="checkbox"/> Yes <input type="checkbox"/> No		8. Is this an application for disability retirement? <input type="checkbox"/> Yes (Ask your employing office about other documents you must submit) <input type="checkbox"/> No	

Section B - Federal Service

1. Department or agency from which you are retiring (include bureau or division, address and ZIP code)		2. Date of final separation (mm/dd/yyyy)	
-----		3. Title of position from which you are retiring	
-----		3a. Your pay plan and occupational series	
4. Have you performed active honorable service in the Armed Forces or other uniformed services of the United States (see instructions for definitions)? <input type="checkbox"/> Yes (Complete Schedule A and attach it to this form) <input type="checkbox"/> No			
5. Are you receiving or have you applied for military retired pay? (Note: If you later become entitled to military retired pay you must notify OPM.) <input type="checkbox"/> Yes (Complete Schedule B and attach it to this form) <input type="checkbox"/> No			

Section C - Marital Information (All applicants must complete questions 1 and 2 below.)

1. Are you married now? (A marriage exists until ended by death, divorce, or annulment.) <input type="checkbox"/> Yes (Complete items 1a - 1f and attach a copy of your marriage certificate) <input type="checkbox"/> No (Go to item 2)		
1a. Spouse's name (last, first, middle)	1b. Spouse's date of birth (mm/dd/yyyy)	1c. Spouse's Social Security Number
1d. Place of marriage (city, state)	1e. Date of marriage (mm/dd/yyyy)	1f. Marriage performed by: <input type="checkbox"/> Clergyman or Justice of Peace <input type="checkbox"/> Other (explain):
2. Do you have a living former spouse(s) to whom a court order gives a survivor annuity or a portion of your retirement benefits based on your Federal employment? <input type="checkbox"/> Yes (Attach a certified copy of the court order[s] and any amendments.) <input type="checkbox"/> No		

Section D - Annuity Election

Make your election by initialing the box beside the type of annuity you want to receive and give any other information requested. Read the pamphlet SF 3113, *Applying for Immediate Retirement under FERS* and the explanations below and consider your election carefully. No change will be permitted after your annuity is granted except as explained in the pamphlet. If you are married at retirement, the law provides an annuity with full survivor benefits for your spouse unless your spouse consents to your election not to provide maximum survivor benefits.

Your election to provide a survivor annuity for a current spouse terminates upon the death of that spouse or if the marriage ends due to divorce or annulment. You are required to make a new election (reelect) within 2 years of the terminating event if you wish to reelect a survivor annuity for a former spouse or within 2 years of a post-retirement marriage to elect a survivor annuity for a spouse acquired after retirement. Continuing a survivor reduction by itself, is not effective to reelect a survivor annuity for a spouse married after retirement or for a former spouse.

If you want to elect a partial survivor annuity for your current spouse and a survivor benefit for a former spouse, you should complete options 2 and 5 below. The total of the survivor annuities elected cannot exceed 50 percent. An election of an insurable interest survivor in option 4 is not included when determining the 50 percent maximum.

1.	Initials	I choose a reduced annuity with maximum survivor annuity for my spouse named in Section C. If you are married at retirement, you will receive this type of annuity unless your spouse consents to your election not to provide maximum survivor benefits. If you receive this annuity, your annuity will be reduced by 10%. Your spouse's annuity upon your death will be 50% of your unreduced earned annuity.
2.	Initials	I choose a reduced annuity with a partial survivor annuity for my spouse named in Section C. If you choose this option, your annuity will be reduced by 5%. Upon your death, your spouse's annuity will be 25% of your unreduced earned annuity. You must have your spouse's consent to choose this option. Complete form SF 3107-2, <i>Spouse's Consent to Survivor Election</i> , and attach it to your application.
3.	Initials	I choose an annuity payable only during my lifetime. If you are married at retirement, you cannot choose this type of annuity without your spouse's consent. No survivor annuity will be paid to your spouse after your death if he or she consents to this election and any health benefits will cease. In addition, your spouse will not be eligible to enroll in the Federal Long Term Care Insurance Program, if he/she is not enrolled at the time of your death. If you are married and elect this, complete form SF 3107-2, <i>Spouse's Consent to Survivor Election</i> , and attach it to your application.

4. **Initials** *I choose a reduced annuity with survivor annuity for the person named below who has an insurable interest in me. You must be healthy and willing to provide medical evidence if you choose this type of annuity. (Disability annuitants are not eligible to choose this type of annuity.) If you are married and elect this option for your spouse, complete SF 3107-2, Spouse's Consent to Survivor Election and attach it to your application.*

Name of person with insurable interest	Relationship to you	Date of birth (mm/dd/yyyy)	Social Security Number
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5. **Initials** *I choose a reduced annuity with survivor annuity for my former spouse(s) as follows: You must attach: (1) Copies of divorce decrees for all former spouses for whom you elect to provide a survivor annuity. (2) If you are married, attach a completed SF 3107-2, Spouse's Consent to Survivor Election. You cannot choose this option and provide a maximum survivor annuity for your spouse (Box 1). Your election to provide a survivor annuity for a former spouse terminates upon the death of that spouse or the remarriage of your former spouse before age 55.*

Name and address of former spouse	Date of marriage (mm/dd/yyyy)	Date of divorce (mm/dd/yyyy)	Survivor annuity equal to _____% of my annuity
	Date of birth (mm/dd/yyyy)	Social Security Number	
Name and address of former spouse	Date of marriage (mm/dd/yyyy)	Date of divorce (mm/dd/yyyy)	Survivor annuity equal to _____% of my annuity
	Date of birth (mm/dd/yyyy)	Social Security Number	

Total (either 25% or 50% of your unreduced annuity) %

Section E - Insurance Information See the pamphlet SF 3113, *Applying for Immediate Retirement Under the Federal Employees Retirement System*, for information.

- Are you eligible to continue Federal Employees Health Benefits coverage as a retiree?
 Yes No
- Are you eligible to continue Federal Employee's Group Life Insurance coverage as a retiree?
 Yes No
- Are you enrolled in the Federal Dental and Vision Insurance Program (FEDVIP)?
 Yes No *Your coverage will automatically continue into retirement as long as you continue to pay applicable premiums. Until work on your annuity is completed, you may receive bills from BENEFEDS. You must pay these bills in order to keep your FEDVIP coverage. After work on your annuity is completed, BENEFEDS will automatically begin deducting from your annuity to pay future premiums. If you have questions, please contact BENEFEDS at 1-877-888-3337.*
- Are you currently enrolled in the Federal Long Term Care Insurance Program (FLTCIP)?
 Yes No *You will automatically continue your coverage into retirement, as long as you continue to pay applicable premiums. If you are currently paying FLTCIP premiums by agency payroll deduction, you must arrange to pay premiums another way, either by deductions from your annuity, through automatic bank debit or direct bill. Please call LTC Partners at 1-800-LTC-FEDS (1-800-582-3337) to make these arrangements.*

Section F - Other Claim Information

- Have you applied for, are you receiving, or have you ever received workers' compensation from the Department of Labor because of a job-related illness or injury?
 Yes (Complete Schedule C and attach it to this form) No
 - Have you previously filed any application under the Civil Service Retirement System or Federal Employees Retirement System (for retirement, refund, deposit or redeposit, or voluntary contributions)?
 Yes (Complete items 2a and 2b below.) No
- 2a. Type of application: Refund Deposit or redeposit Retirement Return of excess deductions Voluntary contributions
- 2b. Claim number(s)

Section G (Optional) - Information About Your Unmarried Dependent Children

1. Dependent child's name (first, middle, last)	2. Date of birth (mm/dd/yyyy)	3. Disabled (✓)	1. Dependent child's name (first, middle, last)	2. Date of birth (mm/dd/yyyy)	3. Disabled (✓)

Retirement Benefit

Section H - Payment Instructions

1. Federal benefits payments will be made electronically by Direct Deposit into a savings or checking account or by a Direct Express debit card provided by the Department of the Treasury. See the instructions for Section H of this application and SF 3113 (Applying for Immediate Retirement Under the Federal Employees Retirement System) for additional information. This does not apply to you if your permanent payment address is outside the United States in a country not accessible via direct deposit.

Please select one of the following:

- Please send my annuity payments directly to my checking or savings account. (Go to item 2)
- Please send my annuity payments to my Direct Express debit card. (Go to item 3a)
- My permanent payment address is outside the United States in a country not accessible via Direct Deposit/Direct Express. (Go to item 3a)

2a. Financial Institution Routing Number	<i>You may obtain this number by calling your bank, credit union, or savings institution. This number is very important. We cannot pay by direct deposit without it.</i>	
2b. Checking or Savings Account Number	2c. What kind of account is this? <input type="checkbox"/> Checking <input type="checkbox"/> Savings	2d. Telephone number of your Financial Institution (including area code)
2e. Name and address of Financial Institution ----- -----		Special Note: If you prefer, you may attach a cancelled personal check that shows the information requested above, instead of filling in the requested financial institution information. If you attach your personal check, it is especially important that you contact your bank, credit union, or savings institution to confirm that the information on the check is the correct information for direct deposit. (Some institutions, especially credit unions, use different routing numbers on checks.) We can then use this information to start paying you by direct deposit.
3a. Do you want Federal income tax withheld from your annuity payments? <input type="checkbox"/> Yes (Go to item 3b) <input type="checkbox"/> No (Go to Section I)		3b. Do you want to have Federal Income Tax withheld at the rate currently being withheld from your salary? <input type="checkbox"/> Yes (Attach copy of W-4 form on file with your employing agency.) <input type="checkbox"/> No (Attach new W-4 form, otherwise withholding will be at rate for married with 3 exemptions.)

Section I - Applicant's Certification

Warning

Any intentionally false statement in this application or willful misrepresentation relative thereto is a violation of the law punishable by a fine of not more than \$10,000 or imprisonment of not more than 5 years, or both. (18 U.S.C. 1001)

I hereby certify that all statements made in this application are true to the best of my knowledge and belief.

Signature (Do not print)

Date (mm/dd/yyyy)

Applicant's Checklist

This checklist is provided to help you be certain you have attached all necessary documentation and to help your employing office be certain it forwards all of your retirement documentation to the Office of Personnel Management.

	Yes	No	Not Applicable
1. Military Service - If you answered "yes" to Section B, Item 4, did you attach Schedule A?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Military Service - If you completed Schedule A, did you attach a copy of your discharge certificate or other certificate of active military service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Military Retired Pay - If you answered "yes" to Section B, Item 5, did you attach Schedule B?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Military Retired Pay - If you completed Schedule B and answered "yes" to Item b or c, did you attach a copy of the notice of award or other documentation of the type of military retired pay you are receiving?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Military Retired Pay - If you completed Schedule B and answered "yes" to item d, did you attach a copy of your request for waiver and a copy of the military finance office's acknowledgment or approval of your request for waiver (if applicable)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Survivor Election - If you are married and did not initial box 1 of Section D, did you attach SF 3107-2, <i>Spouse's Consent to Survivor Election</i> ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Life Insurance - If you answered "yes" to Section E, item 2, did you attach SF 2818, <i>Continuation of Life Insurance Coverage As an Annuitant or Compensation</i> er?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. OWCP - If you answered "yes" to Section F, item 1, did you attach Schedule C?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Tax - If you want to elect a Federal Income Tax withholding rate, did you attach a W-4 form?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Court or Administrative Order(s) - If you answered "yes" to Section C, item 2 and/or "yes" to Section E, Item 1b, did you attach a copy of the order(s)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Schedules A, B and C

1. Name (<i>last, first, middle</i>)	2. Date of birth (<i>mm/dd/yyyy</i>)	3. Social Security Number
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Schedule A - Military Service Information

1. If you have performed active honorable service in the United States Armed Services or other uniformed services, complete 1a - d below and attach a copy of your discharge certificate or other certificate of active military service (if available).

See instructions for definitions of Armed Services and Uniformed Services.

a. Branch of service	b. Serial number	c. Dates of active duty	d. Last grade or rank
		From (<i>mm/dd/yyyy</i>) To (<i>mm/dd/yyyy</i>)	

2. If any of your military service occurred on or after January 1, 1957, have you paid a deposit to your agency for this service? (You must pay this deposit to your agency. You cannot pay OPM after you retire.) Yes No

Schedule B - Military Retired Pay

1. If you are receiving or have applied for military retired or retainer pay (including disability or retired pay), complete Parts 1a - 1d below.

a. Are you receiving or have you ever applied for military retired or retainer pay? (Answer "yes" if you are receiving payments from the Department of Veterans Affairs instead of military retired pay.) <input type="checkbox"/> Yes <input type="checkbox"/> No	b. Was your military retired or retainer pay awarded for reserve service under Chapter 1223, title 10, U.S. Code (formerly Chapter 67, title 10)? <input type="checkbox"/> Yes (<i>Attach a copy of notice of award</i>) <input type="checkbox"/> No
c. Was your military retired pay or retainer pay awarded for a disability incurred in combat or caused by an instrumentality of war and incurred in the line of duty during a period of war? <input type="checkbox"/> Yes (<i>Attach a copy of notice of award</i>) <input type="checkbox"/> No	d. Are you waiving your military retired or retainer pay in order to receive credit for military service for FERS retirement benefits? <input type="checkbox"/> Yes (<i>Attach a copy of your request for waiver and a copy of military finance officer's acknowledgment or approval of your request for waiver</i>) <input type="checkbox"/> No

Schedule C - Federal Employees Compensation Information

1. Are you receiving or have you ever received workers' compensation from the Office of Workers' Compensation Programs (OWCP), Department of Labor, because of a job-related illness or injury?

Yes (*complete parts 1a - c below*) No (*go to question 2*)

a. Compensation claim number	b. Benefit received		c. Type of benefit
	From (<i>mm/dd/yyyy</i>)	To (<i>mm/dd/yyyy</i>)	
			<input type="checkbox"/> Scheduled award <input type="checkbox"/> Other
			<input type="checkbox"/> Total or partial disability compensation
			<input type="checkbox"/> Scheduled award <input type="checkbox"/> Other
			<input type="checkbox"/> Total or partial disability compensation

2. If you have applied for workers' compensation (other than as listed in item 1a above) but are **not** receiving benefits, check reason below and give the information requested.

<input type="checkbox"/> a. Awaiting OWCP decision	<input type="checkbox"/> b. Claim denied				
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; padding: 5px;">Compensation claim number</td> <td style="width:50%; padding: 5px;"></td> </tr> </table>	Compensation claim number		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; padding: 5px;">Compensation claim number</td> <td style="width:50%; padding: 5px;">Date claim denied (<i>mm/dd/yyyy</i>)</td> </tr> </table>	Compensation claim number	Date claim denied (<i>mm/dd/yyyy</i>)
Compensation claim number					
Compensation claim number	Date claim denied (<i>mm/dd/yyyy</i>)				

3. Except for scheduled compensation awards, workers' compensation and FERS retirement benefits **cannot** be paid for the same period of time. Please complete the information below regarding your claim. **You must complete this section.**

a. Do you agree to notify us promptly if the status of your workers' compensation claim changes?
 Yes No

b. Do you authorize the Office of Personnel Management and/or the Office of Workers' Compensation Programs (OWCP) to collect any overpayment if we later find you are not eligible for both compensation and annuity payments covering the same period of time?
 Yes No

Applicant's Certification

<i>I certify that all statements made on these schedules are true to the best of my knowledge and belief.</i>	Signature (<i>do not print</i>)	Date (<i>mm/dd/yyyy</i>)
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Spouse's Consent to Survivor Election

Instructions: If you are married and you do not elect a reduced annuity to provide a maximum survivor annuity for your current spouse, complete Part 1. Have your spouse complete Part 2. Part 2 must be completed in the presence of a Notary Public or other person authorized to administer oaths. The person administering oaths must complete Part 3.

Part 1 - To Be Completed by the Retiring Employee

Name (last, first, middle)	Date of birth (mm/dd/yyyy)	Social Security Number
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I have elected: (Mark the box(es) which describes the survivor election(s) you have made. More than one box may be marked.)

- a. No regular or insurable interest survivor annuity for my current spouse. **I understand that:**
 - ❖ No survivor annuity will be paid to my spouse after my death,
 - ❖ His/her health benefits coverage will terminate upon my death, and
 - ❖ He/she will not be eligible to enroll in the Federal Long Term Care Insurance Program (FLTCIP) after my death.
- b. An insurable interest annuity for my current spouse, but no regular survivor annuity for my current spouse. (I have completed Section D, item 4 on my Standard Form 3107 naming my current spouse.)
- c. A partial survivor annuity (25%) for my current spouse.
- d. A maximum survivor annuity for my former spouse _____ (name of former spouse)
- e. A partial survivor annuity for my former spouse _____ equal to 25% of my annuity. (name of former spouse)
- f. A partial survivor annuity for my former spouse _____ equal to 25% of my annuity. (name of former spouse)

Part 2 - To Be Completed by the Current Spouse of the Retiring Employee

I freely consent to the survivor annuity election described in Part 1. **I understand that if my spouse elected no regular or insurable interest survivor annuity in Part 1.a. above, I will not receive a survivor annuity, my health benefits coverage will terminate and I will not be eligible to enroll in the Federal Long Term Care Insurance Program (FLTCIP) if I am not already enrolled before my spouse's death. I also understand that my consent is final (not revocable).**

Name (type or print)	Signature (do not print)	Date (mm/dd/yyyy)
----------------------	--------------------------	-------------------

Part 3 - To Be Completed by a Notary Public or Other Person Authorized to Administer Oaths

I certify that the person named in Part 2 presented identification (or was known) to me, gave consent, signed or marked this form and acknowledged that the consent was freely given in my presence on this

the _____ day of _____, at _____.

(Month) (Year) (City and State)

(Seal of Notary Public or witnessing authority of person authorized to administer oaths)	Signature (do not print)
(Seal)	Expiration date (mm/dd/yyyy) of commission, if Notary Public

General Information: The law requires that a retiring, married employee must elect to provide a survivor annuity for a current spouse, **unless** the current spouse consents to an election not to provide the maximum survivor benefit.

A court order which requires a retiring employee to provide a survivor annuity for a former spouse is not an election and spousal consent is not required. In other words, such a court order does not require a current spouse to waive the right to a survivor annuity for the current spouse even though the Office of Personnel Management (OPM) must honor the terms of the court order before it can honor the election for the current spouse.

The current spouse may, therefore, receive a smaller annuity than elected, or none at all, unless the former spouse loses eligibility for the court-ordered survivor annuity (through remarriage before age 55 or death).

Important: If the current spouse consents to an election to provide no survivor annuity or a partial survivor annuity and is later divorced from the retired employee, the retired employee may not then elect (nor can OPM honor a court order) to provide a former spouse annuity which exceeds the amount elected at retirement for that spouse. This also applies if the parties remarry.

Privacy Act Statement

Solicitation of this information is authorized by the Federal Employees Retirement law, (Chapter 84, title 5, U.S. Code), the Federal Employees Group Life Insurance law (Chapter 87, title 5, U.S. Code) and the Federal Employees Health Benefits law (Chapter 89, title 5, U.S. Code). The information you furnish will be used to identify records properly associated with your application for Federal benefits, to obtain additional information if necessary, to determine and allow present or future benefits, and to maintain a unique identifiable claim file. The information may be shared and is subject to verification via paper, electronic media, or through the use of computer matching programs with national, state, local or other charitable or social security administrative agencies in order to determine benefits under their programs, to obtain information necessary for determination or continuation of benefits under this program, or to report income for tax purposes. It may also be shared and verified, as noted above, with law enforcement agencies when they are investigating a violation or potential violation of civil or criminal law. Executive Order 9397 (November 22, 1943) authorizes use of the Social Security Number. The Government may use your number in collecting and reporting amounts that you owe the Government. Furnishing the Social Security Number, as well as other data, is voluntary, but failure to do so may delay or prevent action on the retirement application.

NITP as a Resource

CSRS/FERS

You have just received a wealth of information about your Federal retirement benefits. Now, what action do you need to take to ensure a smooth transition to retirement?

The National Institute of Transition Planning, Inc. has a comprehensive website that provides additional resources for Federal employees as you prepare for retirement and life after retirement. Here is a partial list of some of the resources available at www.nitpinc.com:

Checklists for your Career

- Early-Career
- Mid-Career
- Retirement Countdown

Links to Websites for Retirement Forms & Applications

- Applications for Retirement
- Spousal Annuity
- Military/Federal Service Credit Payment Forms
- Beneficiary Designation Forms
- Voluntary Contributions

Links to Calculators

NITP Monthly Webinar Program

FREE Webinars designed specifically for the Federal employees regarding their Benefits, Financial Planning, TSP and other topics of interest. Webinars are the second Thursday of every month at 2 PM Eastern Time and available [on demand 24/7](http://www.nitpinc.com). Register at www.nitpinc.com

***ForYourBenefit* eNews**

ForYourBenefit eNews is a monthly column written by NITP experts on topics of interest to Federal employees. Subjects vary from the latest Congressional legislation and its impact on Federal retirement benefits to tips on your finances and estate planning. Subscribe at www.nitpinc.com.

Module 2

Social Security

INTRODUCTION

Social Security

Topics

- Qualifying for a benefit
 - Who
 - How
 - When
- Calculating your retirement benefit
 - The Windfall Elimination Provision (WEP)
 - Delayed Retirement Credits
 - Reduction in Benefit Due to Earnings
- Claiming Social Security
 - Social Security Claiming Strategies
- Taxes on Social Security Benefits

Notes:

The purpose of this module is to provide an understanding of Social Security retirement benefits for workers and their families—the eligibility requirements, benefit computation, and application considerations.

CSRS

The Civil Service Retirement System (CSRS) was designed to stand alone—not to supplement the Old Age Survivor’s and Disability Insurance (OASDI) program, better known as Social Security. CSRS employees, except those covered by CSRS Offset, do not pay Social Security taxes while employed by the Federal Government so they do not qualify to receive benefits based on their Federal service. However, CSRS employees may qualify for Social Security for work performed outside Federal service and should understand the effect of the Windfall Elimination Provision (WEP) on their future Social Security retirement benefit.

CSRS retirees may be entitled to spousal or survivor’s benefits and should understand how those entitlements may be affected by the Government Pension Offset (GPO). CSRS Offset retirees may be affected by the WEP but they are exempt from the GPO.

FERS

Social Security is an important part of the Federal retirement package for employees covered under the Federal Employees Retirement System (FERS). These employees qualify for Social Security benefits through their Federal and private sector service and may also be eligible to receive spousal benefits.

Social Security Account

Create your personal Social Security account today at www.ssa.gov which is a free and secure account that provides personalized tools for everyone, whether you receive benefits or not. You can use your account to request a replacement Social Security card, check the status of an application, estimate future benefits, or manage the benefits you already receive. The Social Security Administration now only sends mailed annual statements to people ages 60 and up who are not yet collecting benefits and who have not created online accounts with the agency.

Notes:

Qualifying for a Benefit: How**Social Security**

To earn a Social Security retirement benefit, you must have:

- Paid Federal Insurance Contributions Act (FICA) taxes (6.2 percent on wages up to the annual maximum taxable wage base of \$168,600 for 2024)
- Earned 40 credits (previously called quarters)

You receive one credit of coverage for every \$1,730 of wages earned (2024) and covered by FICA taxes. The amount needed to earn a credit is set every year, and you can earn up to 4 credits per year (minimum of \$6,920 of wages earned and covered by the FICA tax). This means you must work for at least 10 years to be eligible for Social Security benefits.

You may be able to estimate your retirement benefit using the online estimator available at www.ssa.gov/estimator. This estimator will allow you to create alternate scenarios depending on how long you might work, when you might apply for your benefit and the amount of your future wages.

Benefit for Workers with Maximum-Taxable Earnings

Age in 2024	Maximum Monthly Benefit in 2024
62	\$2,710
65	\$3,426
66	\$3,652
67	\$3,911
70	\$4,873

NOTE: These illustrations assume steady earnings at the maximum level since age 22

Social Security benefits calculations for Cases A & B on pages 2-6 and 2-7 are found on the Social Security Website: <https://www.ssa.gov/OACT/ProgData/retirebenefit1.html>

Notes:

Qualifying for a Benefit: When

Social Security

You will be eligible to receive an unreduced benefit at your Social Security Full Retirement Age (FRA). This age increases incrementally from 65 to 67 depending on your year of birth. The full amount is sometimes referred to as your Primary Insurance Amount (PIA).

You may receive a reduced benefit starting at age 62. If you apply before you reach your full retirement age, the amount of the reduced benefit is permanent throughout your retirement and will not increase when you reach your full retirement age. You may receive delayed retirement credits up to age 70 (see page 2-10).

Refer to the chart below to determine your full retirement age and the percentage of the full benefit you will receive depending on the age you decide to apply. The reduced benefit increases incrementally for every month that you wait to apply past age 62.

Year of Birth	Full Retirement Age (FRA)	Benefits, as a percentage of PIA, beginning at age-						
		62	63	64	65	66	67	70
1937	65 years	80.0	86.7	93.3	100	106.5	113	132.5
1938	65 years, 2 months	79.2	85.5	92.2	98.9	105.4	111.9	131.4
1939	65 years, 4 months	78.3	84.4	91.1	97.8	104.7	111.7	132.7
1940	65 years, 6 months	77.5	83.3	90	96.7	103.5	110.5	131.5
1941	65 years, 8 months	76.7	82.2	88.9	95.6	102.5	110	132.5
1942	65 years, 10 months	75.8	81.1	87.8	94.4	101.2	108.7	131.2
1943-1954	66 years	75.0	80	86.7	93.3	100	108	132
1955	66 years, 2 months	74.2	79.1	85.5	92.2	98.9	106.7	130.7
1956	66 years, 4 months	73.3	78.3	84.4	91.1	97.8	105.3	129.3
1957	66 years, 6 months	72.5	77.5	83.3	90	96.7	104	128
1958	66 years, 8 months	71.7	76.7	82.2	88.9	95.6	102.7	126.7
1959	66 years, 10 months	70.8	75.8	81.1	87.8	94.4	101.3	125.3
1960 or later	67 years	70.0	75	80	86.7	93.3	100	124

Note: Persons born on January 1 of any year should refer to the previous year of birth.

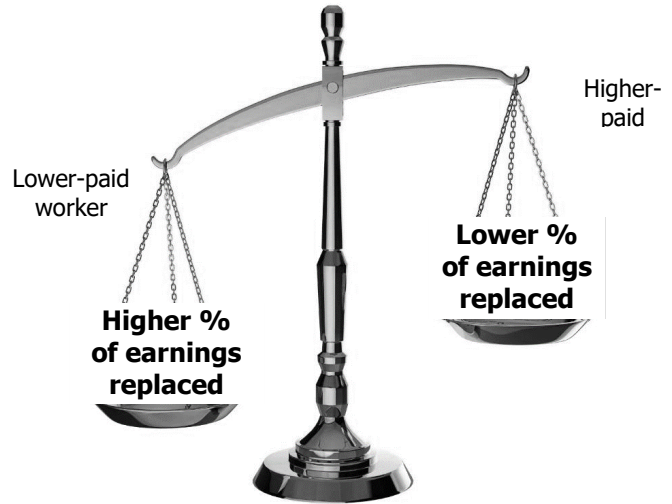
Calculating the Retirement Benefit **Social Security**

Social Security benefits are intended to replace only a percentage of a worker’s earnings, and the percentage is tilted toward giving lower paid workers a higher return than higher paid workers. For example, a lower paid worker could receive a benefit that equals about 55 percent of pre-retirement earnings, whereas the average replacement rate for a higher paid worker is about 25 percent.

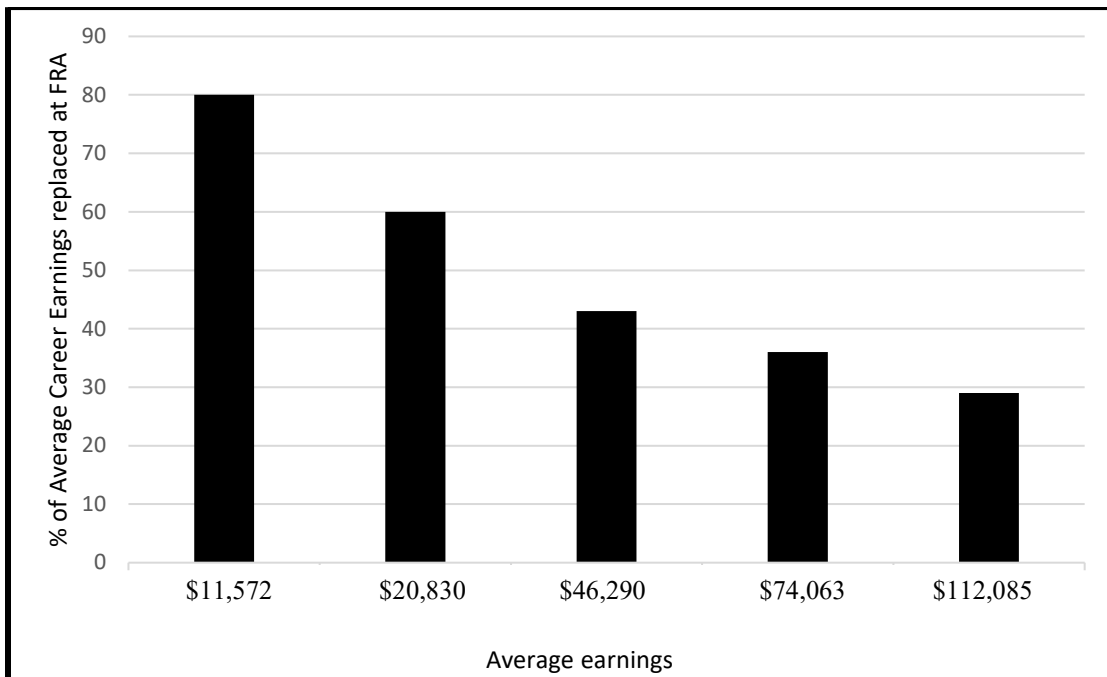
By setting up a Social Security account, you will be able to see your projected retirement benefit. This gives you a snapshot of your projected benefit at various ages until you reach age 70.

How much of your pre-retirement income will be replaced by Social Security?

Keep in mind that to maintain their lifestyle in retirement, most retirees will need to replace 70 – 80% of their pre-retirement income.



Social Security Provides Higher Replacement Rates to Low Wage Earners
Full Retirement Age (page 2-4)



Source: Social Security Administration

Federal Benefits

Examples: Case A: Born in 1962 & Retire at age 62 / Case B: Born in 1958 & Retire at age 66, 8 mos.						
Year	Case A average earner			Case B high earner**		
	Nominal Earnings	Indexing Factor*	Indexed earnings	Nominal earnings	Indexing Factor*	Indexed earnings
1984	\$15,086	3.9538	\$59,647	\$37,800	3.2318	\$122,163
1985	15,779	3.7922	59,838	39,600	3.0998	122,751
1986	16,298	3.6829	60,024	42,000	3.0104	126,437
1987	17,392	3.4621	60,214	43,800	2.8299	123,951
1988	18,305	3.2996	60,400	45,000	2.6971	121,369
1989	19,089	3.1740	60,588	48,000	2.5944	124,530
1990	20,033	3.0338	60,777	51,300	2.4798	127,215
1991	20,844	2.9248	60,965	53,400	2.3907	127,665
1992	21,986	2.7815	61,154	55,500	2.2736	126,184
1993	22,243	2.7578	61,342	57,600	2.2542	129,842
1994	22,910	2.6857	61,530	60,600	2.1953	133,034
1995	23,901	2.5822	61,717	61,200	2.1107	129,174
1996	25,146	2.4618	61,905	62,700	2.0123	126,169
1997	26,695	2.3261	62,095	65,400	1.9013	124,347
1998	28,177	2.2104	62,282	68,400	1.8068	123,583
1999	29,837	2.0937	62,470	72,600	1.7114	124,247
2000	31,582	1.9840	62,659	76,200	1.6217	123,574
2001	32,432	1.9378	62,846	80,400	1.5839	127,347
2002	32,856	1.9185	63,035	84,900	1.5682	133,140
2003	33,759	1.8727	63,222	87,000	1.5308	133,177
2004	35,434	1.7896	63,411	87,900	1.4628	128,578
2005	36,839	1.7264	63,598	90,000	1.4111	127,003
2006	38,646	1.6505	63,786	94,200	1.3491	127,088
2007	40,519	1.5789	63,974	97,500	1.2906	125,830
2008	41,573	1.5434	64,162	102,000	1.2615	128,677
2009	41,067	1.5670	64,352	106,800	1.2809	136,796
2010	42,160	1.5308	64,539	106,800	1.2513	133,637
2011	43,608	1.4843	64,728	106,800	1.2133	129,577
2012	45,100	1.4394	64,915	110,100	1.1765	129,536
2013	45,809	1.4212	65,104	113,700	1.1617	132,083
2014	47,572	1.3725	65,292	117,000	1.1219	131,258
2015	49,369	1.3263	65,480	118,500	1.0841	128,471
2016	50,070	1.3115	65,668	118,500	1.0720	127,035
2017	51,948	1.2677	65,857	127,200	1.0362	131,810
2018	53,984	1.2234	66,044	128,400	1.0000	128,400
2019	56,167	1.1792	66,233	132,900	1.0000	132,900
2020	57,918	1.1468	66,421	137,700	1.0000	137,700
2021	63,247	1.0532	66,609	142,800	1.0000	142,800
2022	66,797	1.0000	66,797	147,000	1.0000	147,000
2023	69,455	1.0000	69,455	160,200	1.0000	160,200
Highest-35 total			\$ 2,235,012	\$ 4,582,841		
AIME (Average Indexed Monthly Earnings)			\$ 5,321	\$ 10,911		

*Index factors determined the year person first eligible, normally age 62 for retirement benefits. Earnings indexed to the average wage level two years prior to the year of first eligibility.

**Nominal earnings for Case B are limited to the maximum taxable amount for each year; actual earnings can be higher.

The Calculation

Social Security

Step One: Index earnings (multiply the index factors by the nominal earnings for each year of wages)

Step Two: Add the highest 35 years of indexed earnings (lowest earnings are shown in **bold**)

Step Three: Divide the high-35 total by 420 months (35 x 12) to compute the average indexed monthly earnings (AIME)

Step Four: Apply the formula to compute the Primary Insurance Amount (PIA):

- (a) 90% X **\$1,174*** of AIME, plus
 (b) 32% X AIME over **\$1,174*** and through **\$7,078***, plus
 (c) 15% of AIME over **\$7,078***

*The dollar amounts in the formula are sometimes called "bend points" and usually change every year. They are determined the year in which the person is first eligible to receive benefits.

Case A Calculation (AIME = \$5,321)					
a.	90%	X	\$1,174	=	\$1,056.60
b.	32%	X	\$4,147 (\$5,321- \$1,174)	=	\$1,327.04
c.	15%	X	\$0	=	\$0.00
Monthly benefit at age 67 (full retirement age)				=	\$2,383.60
Monthly benefit reduced at age 62 (30% reduction)					\$1,668.00

Case B Calculation (AIME = \$10,911)					
a.	90%	X	\$960	=	\$864
b.	32%	X	\$4,825 (\$5,785 - \$960)	=	\$1,544
c.	15%	X	\$5,126 (\$10,911 - \$5,785)	=	\$768.90
Monthly benefit at age 66 & 8 months (full retirement age)				=	\$3,176.90
<p>The worker in Case B first became eligible in 2020 (the year Case B reached age 62). The \$3,176.90 shown above will be truncated to the next lower dime and increased by cost-of-living adjustments, or COLAs, for 2020 through 2023. These COLAs are 1.3 percent, 5.9 percent, 8.7 percent, 3.2 percent respectively.</p> <p>The resulting full benefit amount (Primary Insurance Amount - PIA) is \$3,822.00</p> <p>Source: Social Security Administration</p>					

Notes:

The Windfall Elimination Provision

Social Security

The Windfall Elimination Provision (WEP) reduces the Social Security retirement benefit for retirees who have earned a pension from work that was not covered by Social Security taxes and their own Social Security benefit. Therefore, if you paid Social Security tax on 30 years of substantial earnings you are not affected by WEP.

Purpose of the WEP

Before 1983, people who worked and earned a pension from work not covered by Social Security, such as a CSRS retirement benefit, and earned a Social Security benefit, had their Social Security benefit calculated as if they were long-term, low-paid workers because they did not have many years of Social Security covered wages. They received a benefit based on a higher percentage of their earnings; an advantage meant for lower-paid workers. The WEP eliminates this advantage.

The WEP reduction may be larger if family members qualify for benefits on the same record. However, the total WEP reduction is limited to one-half of the pension based on the earnings that were not covered by Social Security. The WEP formula is not used to compute a widow's/widower's benefit; therefore, a surviving spouse could potentially receive a higher benefit than the worker.

The chart on the next page shows the **maximum monthly amount your benefit can be reduced** because of WEP if you have fewer than 30 years of substantial earnings.

1. See the column under the year you reach age 62, which is your first eligibility year, or became totally disabled (if earlier). If your birthday is on January 1st, use the year before you reach age 62.
2. See the row that shows the number of years you paid Social Security tax on substantial earnings (see substantial wage amounts chart on next page). **The amount shown is the maximum your benefit can be reduced at age 62.**
 - If your retirement benefits start later than age 62, the WEP reduction may be greater than the maximum shown in the chart.
 - The amounts in the charts above do not reflect the effect of a cost-of-living adjustment (COLA), early retirement, delayed retirement, or other factors.
 - Your Social Security benefit will not be reduced until you begin receiving your CSRS retirement benefit.

Maximum Monthly Amount Your Benefit May Be Reduced Because Of The Windfall Elimination Provision (WEP)*										
Years of Substantial Earnings	First Eligibility Year (generally age 62)									
		2016	2017	2018	2019	2020	2021	2022	2023	2024
<=20		428.0	442.5	447.5	463.0	480.0	498.0	512.0	557.5	587.0
21		385.2	398.3	402.8	416.7	432.0	448.2	460.8	501.8	528.3
22		342.4	354.0	358.0	370.4	384.0	398.4	409.6	446	469.6
23		299.6	309.8	313.3	324.1	336.0	348.6	358.4	390.3	410.9
24		256.8	265.5	268.5	277.8	288.0	298.8	307.2	334.5	352.2
25		214.0	221.3	223.8	231.5	240.0	249.0	256.0	278.8	293.5
26		171.2	177.0	179.0	185.2	192.0	199.2	204.8	223	234.8
27		128.4	132.8	134.3	138.9	144.0	149.4	153.6	167.3	176.1
28		85.6	88.5	89.5	92.6	96.0	99.6	102.4	111.5	117.4
29		42.8	44.3	44.8	46.3	48.0	48.8	51.2	55.8	58.7
30		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

** Important: The maximum amount may be overstated. The WEP reduction is limited to one-half of your pension from non-covered employment.*

- If your retirement benefits start later than age 62, the WEP reduction may be greater than the maximum shown in the chart.
- The amounts in the chart above does not reflect the effect of a cost-of-living adjustment (COLA), early retirement, delayed retirement, or other factors.

Substantial Wage Amounts					
1937–1954	\$ 900	1988	\$ 8,400	2009–2011	\$19,800
1955–1958	\$1,050	1989	\$ 8,925	2012	\$20,475
1959–1965	\$1,200	1990	\$ 9,525	2013	\$21,075
1966–1967	\$1,650	1991	\$ 9,900	2014	\$21,750
1968–1971	\$ 1950	1992	\$10,350	2015-2016	\$22,050
1972	\$2,250	1993	\$10,725	2017	\$23,625
1973	\$2,700	1994	\$11,250	2018	\$23,850
1974	\$3,300	1995	\$11,325	2019	\$24,675
1975	\$3,525	1996	\$11,625	2020	\$25,575
1976	\$3,825	1997	\$12,150	2021	\$26,550
1977	\$4,125	1998	\$12,675	2022	\$27,300
1978	\$4,425	1999	\$13,425	2023	\$29,700
1979	\$4,725	2000	\$14,175	2024	\$31,275
1980	\$5,100	2001	\$14,925	2025	
1981	\$5,550	2002	\$15,750	2026	
1982	\$6,075	2003	\$16,125	2027	
1983	\$6,675	2004	\$16,275	2028	
1984	\$7,050	2005	\$16,725	2029	
1985	\$7,425	2006	\$17,475	2030	
1986	\$7,875	2007	\$18,150	2031	
1987	\$8,175	2008	\$18,975	2032	

<https://secure.ssa.gov/poms.nsf/lnx/0300605362>

Delayed Retirement Credits

Social Security

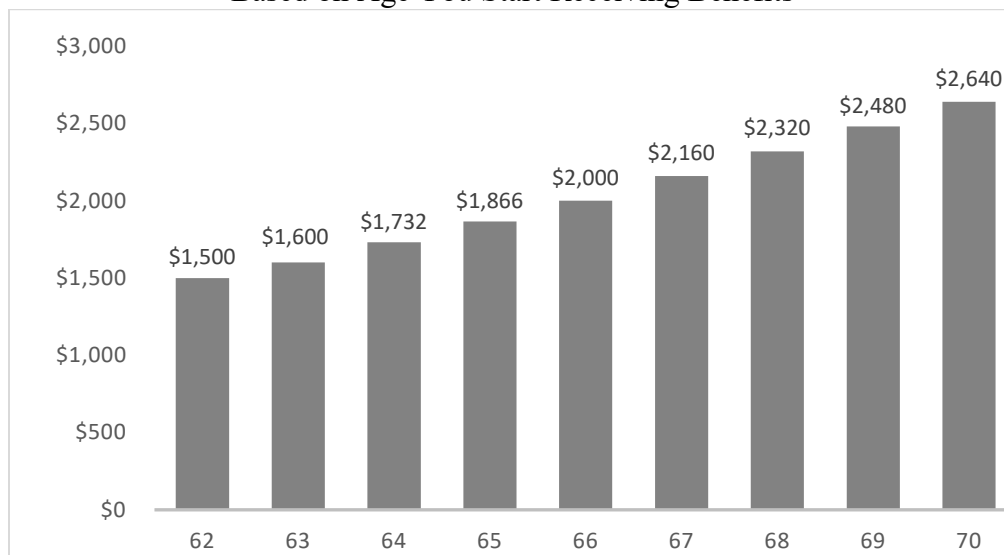
You may choose to work beyond your full retirement age and delay applying for Social Security benefits to earn delayed retirement credits.

- For every month you delay, you will increase your full benefit by a percentage.
- You can earn delayed retirement credits up to age 70.
- The percentage varies based on your year of birth.
- Earning the delayed retirement credits will also increase a surviving spouse’s or surviving divorced spouse’s benefit.

The following chart shows the percentage increase to your basic benefit for each month you delay applying for benefits between your full retirement age and age 70.

Year of Birth	Yearly Rate of Increase	Monthly Rate of Increase
1933–1934	5.5%	.4583%
1935–1936	6.0%	.5000%
1937–1938	6.5%	.5417%
1939–1940	7.0%	.5833%
1941–1942	7.5%	.6250%
1943 or later	8.0%	.6667%

Change in Monthly Benefits Amounts
Based on Age You Start Receiving Benefits



This chart assumes a \$2,000 monthly benefit at your full retirement age (66)

Source: Social Security Administration

Reduction in Benefit Due to Earnings**Social Security**

If you are under full retirement age and you work and earn above the annual earnings limit, the Social Security Administration will deduct excess earnings from your benefits. However, when you reach full retirement age, Social Security re-computes your benefit amount to omit the months when the benefit was reduced for excess earnings.

If you work for someone else, only your wages count toward Social Security's earnings limits. If you are self-employed, only your net earnings from self-employment are counted. Social Security does not count income such as other government benefits, investment earnings, interest, pensions, annuities and capital gains.

If you work for wages, income counts when it is earned, not when it is paid. If you have income that you earned in one year, but the payment was made in the following year, it should not be counted as earnings for the year you receive it. Some examples are accumulated vacation pay and bonuses. There is a form that your payroll office can submit to Social Security (Form SSA-131, Employer Report of Special Wage Payments) to show that your lump sum annual leave, a buyout payment or a bonus payment should not be used against the earnings test if it is paid in the year after the income was earned. This form should be submitted for employees who are retiring at age 62 or later and claiming Social Security benefits at the same time as their CSRS or FERS retirement. Contact your payroll office for more information.

Reduction of Benefit Due to Earnings (2024)		
If you are . . .	And earn more than . . .	Your benefit will be reduced by . . .
Under your full retirement age	\$22,320 per year (\$1,860 monthly)	\$1 for every \$2 over the limit
In the year you will reach your full retirement age	\$59,520 that year (\$4,960 monthly)	\$1 for every \$3 over the limit until the month you reach full retirement age
In the year(s) past reaching your full retirement age	No limit	Zero

There is a special rule that applies to earnings for one year, usually the first year of retirement. Under this rule, you can get a full Social Security check for any whole month you are retired, regardless of your yearly earnings. In 2024, a person under full retirement age for the entire year is considered retired if monthly earnings are \$1,860 or less (\$22,320/12). Beginning in the second year, only the yearly limits will apply.

For example, John retires at age 62 on October 30, 2024. He will earn \$45,000 through October. He takes a part-time job beginning in November earning \$500 per month. Although his earnings for the year substantially exceed the 2024 annual limit (\$22,320), he will receive a Social Security payment for November and December. This is because his earnings in those months are \$1,860 or less, the monthly limit for people younger than full retirement age. Beginning in 2025, only the yearly limits will apply to him.

More information: <https://www.ssa.gov/planners/retire/whileworking.html>

Strategy #1: Claiming at age 62 or at retirement, if later:

- If you need the money, then take it at age 62 or when you retire. You will receive the reduced amount for the rest of your life with annual cost of living adjustments.
- For those in poor health who worry that they may not live past age 80, you will receive more money from Social Security if you claim your reduced benefit at age 62 than if you delay claiming.
- If you have dependent children, benefits may be payable to your children who are under age 18 or 19 if still in high school.

Note: The combined Social Security (Retirement and Disability Insurance) Trust Funds will be able to pay all benefits in full and on time until 2034. Social Security faces long-term financing shortfalls under currently scheduled benefits and financing. The program will experience cost growth substantially more than GDP growth through the mid-2030s due to rapid population aging. Lawmakers have many policy options that would reduce or eliminate the long-term financing shortfalls in Social Security and Medicare. In 1977 and 1983, Congress made substantial changes to the program that resulted in the \$2.908 trillion in the trust funds today. It is expected that Congress will make additional changes to avoid the looming benefit reduction that would result in no action. Even if legislative changes are not made before 2034, Social Security will be able to pay 80 percent of each benefit due.

Source: <https://www.ssa.gov/OACT/TRSUM/index.html>

Strategy #2: Delay claiming to your full retirement age or as late as age 70:

- If you are still employed, then it is easy to delay claiming Social Security retirement. Remember there is an earnings limit prior to your full retirement age.
- Claiming prior to your full retirement age is considered a reduced benefit amount of as much as 30 percent less than waiting until your full retirement age. This is a permanent reduction.
- It is tempting to delay claiming until after your full retirement age because Social Security will add an 8% delayed retirement credit to your eventual monthly payout each year you hold off, up until age 70.
- Life expectancy is a critical factor in retirement planning and although no one can predict how long they will live, according to recent government figures, the average American who makes it to age 65 can expect to live another 19 years. If your Social Security benefit at 70 is more than 75% higher than your benefit at 62, you are going to have a lot more money to take care of your needs as you age.
- For married couples, if the spouse with the larger Social Security benefit waits to file for benefits, this can ensure a larger benefit for the surviving spouse, regardless of which spouse survives.
- To reduce future required distributions from the TSP and other retirement savings, larger withdrawals may be taken prior to age 70 to provide a bridge to claiming Social Security later. Withdrawal amount can be reduced once the larger Social Security benefit begins.
- If you filed prior to your full retirement age, you may elect to “suspend” payments at your full retirement in order to take advantage of earning delayed retirement credits to age 70.
- If you have been widowed, you may apply for reduced widow’s benefits as early as age 60 while delaying your own benefit up to age 70.

Claiming Social Security**Social Security****Stopping and Suspending Social Security Retirement Benefits**

If you are receiving Social Security Retirement benefits **and** you change your mind about when it should start, the Social Security Administration provides two methods for stopping benefits.

Stop benefits: You can withdraw your Social Security claim within 12 months of starting benefits. If you stop your claim, you may re-apply at a future date. You can only stop payment once per lifetime. To withdraw your claim, you must make a request in writing. You must repay all the benefits you and your family received based on your retirement application. The repayment must include any:

- Benefits your spouse or children received based on your application, whether or not they are living with you, and
- Money withheld from your checks including Medicare Part B, Part C, and Part D premiums.

Suspend benefits: If you are not eligible for withdrawal because more than 12 months have elapsed, but you have reached your full retirement age (FRA) and have not yet reached age 70, you can voluntarily suspend retirement benefits. During a suspension, you earn delayed retirement credits, which boost your eventual benefit by two-thirds of 1 percent for each suspended month (or 8 percent for each suspended year). When you resume collecting Social Security, you will have locked in a higher monthly payment for life.

- If you voluntarily suspend your retirement benefit, any benefits you receive on someone else's record will also be suspended. As long as your retirement benefits are suspended, your spouse and children cannot collect family benefits on your work record.
- If you voluntarily suspend your retirement benefit, a divorced spouse will be able to continue receiving benefits.
- Your Part B premiums cannot be deducted from your suspended benefits and you will be billed by the Centers for Medicare & Medicaid Services for future Part B premiums.
- Once your benefit payments are suspended, they will start automatically the month you reach age 70 or earlier, if you contact Social Security.

For example, if your full retirement age is 67 and you claim benefits at 62, filing early will cause a reduction of 30% compared to what you will get if you wait until age 67 to file. If you suspend your benefits at age 67, you will qualify for an 8% increase to your monthly benefit for each year that you wait. The 8% is calculated based on the reduced benefit, but waiting until age 70, you will see an increase of 24%, in addition to any cost of living adjustments in the interim.

Reference: <https://www.ssa.gov/planners/retire/suspend.html>

Notes:

Social Security Claiming Strategies

Social Security

“Dependent” Spouse Benefit and Former Spouse Benefit: Bill (born 1958) and Cathy (born 1962)	
Situation	Monthly Amount
Bill (age 66) claims his full benefit at age 66 years, 8 months, his full retirement age.	\$2,680.00
Cathy does not have an earned Social Security benefit; she files on Bill’s work record at age 62. Her benefit is reduced to 35% of Bill’s PIA.	\$938
Combined monthly benefit for Bill and Cathy	\$3,484.00
At Cathy’s full retirement age of 67, Cathy would receive ½ of Bill’s monthly benefit (but no benefits from 62 – 67).	\$1,340.00
IF Bill passed away after Cathy reached her full retirement age, she will collect a survivor’s benefit of 100% of Bill’s full benefit amount.	\$2,680.00
Debra (age 62), Bill’s ex-wife, receives benefits from Bill’s Social Security (as much as 50%, depending on claiming age). If she didn’t remarry after the divorce, and they were married for at least 10 years (she may remarry after age 60 and receive survivor’s benefit), she would receive a full survivor’s benefit.	\$938 OR \$1,340.00 OR \$2,680.00

Dual Entitlement

Sam is taking advantage of receiving the 8 percent / year increase for delaying his Social Security benefit beyond his full retirement age of 66 and 4 months for a total increase of 29.3 percent.

Social Security will pay the benefit based on your own work record first. If the benefit on the spouse's work record is higher, he or she will get an additional amount on your work record so that the combination of benefits equals that higher amount. The spousal benefits in this example are both less than the earned benefit, so Sam and Stacy each receive their earned benefit. If Sam were to predecease Stacy, she would be eligible to continue her benefit or receive a survivor’s benefit equal to 100% of Sam’s \$3,240 benefit amount (or less if he dies prior to reaching age 70).

Dual Entitlement: Stacy (born 1958) and Sam (born 1956)		
Situation	Type of Benefit	Monthly Amount
Stacy files for Social Security at her full retirement age of 66 years 8 months in 2024 and will receive 100% of her earned benefit.	Stacy Full Benefit	\$2,045
Sam will delay filing for his Social Security until he reaches age 70 in 2026 at which time, he will receive 129.3% of his full benefit amount due to delayed retirement credits.	Sam Delayed Retirement Credits	\$3,240
Couples’ Combined Social Security Benefits after 2026		\$5,285
The surviving spouse will receive the higher of the two benefits.	Survivor’s Benefit	\$3,240

Government Pension Offset**Social Security**

Government Pension Offset (GPO)	
<p>If you are receiving a pension from work not covered by Social Security (such as CSRS), then you may be affected by the Government Pension Offset</p>	<p>GPO may reduce your entitlement to Social Security spousal or survivor's benefit.</p> <p>The GPO reduces the spousal entitlement by \$2 for every \$3 of your non-covered pension benefit amount.</p> <p>Generally, the GPO will not reduce your Social Security benefits as a spouse or survivor if you:</p> <ul style="list-style-type: none"> • Receive a government pension that is not based on your earnings (i.e. survivor's benefit); • Are a Federal (including Civil Service Offset), state, or local government employee and your government pension is from a job for which you paid Social Security taxes and you paid Social Security taxes on your earnings during the last 60 months* of government service. <p>*Under certain conditions, fewer than 60 months are required for people whose last day of employment falls after June 30, 2004 and before March 2, 2009.</p>
<p>NOTE: The GPO does not reduce your entitlement to a Social Security survivor's benefit until you are retired and receiving your CSRS benefit. Consider applying for Social Security if you continue working under CSRS past your full retirement age.</p>	

Acronyms:

FRA: Full Retirement Age, page 2-4

PIA: Primary Insurance Amount, benefit payable at the FRA, page 2-7

AIME: Average Indexed Monthly Earnings, pages 2-6 and 2-7

GPO: Government Pension Offset

WEP: Windfall Elimination Provision

Government Pension Offset	Social Security
Government Pension Offset: CSRS Retiree and FERS Retiree Barbara and Ben	
Situation	Monthly Amount
Ben files for Social Security at age 66, his full retirement age.	\$3,000
Barbara's CSRS benefit of \$79,700 was reduced by \$7,700 to provide the maximum CSRS survivors benefit resulting in a reduced CSRS benefit for Barbara of \$72,000 / year	\$6,000
Barbara files for spousal benefit of 50% of Ben's Social Security (50% of \$3,000 = \$1,500)	
Due to the GPO, Barbara's monthly spousal SSA benefit of \$1,500 is offset (reduced) by $\frac{2}{3}$ of her CSRS ($\$6,000 \times \frac{2}{3} = \$4,000$). This reduces her spousal benefit: $\$1,500 - \$4,000 = \$0$	\$0
Income while Barbara and Ben are living	\$9,000
If Ben dies first, Barbara's widow's benefit of 100% of Ben's SSA of \$3,000 is offset (reduced) by $\frac{2}{3}$ of her CSRS benefit ($\frac{2}{3} \times \$6,000 = \$4,000$) leaving her with \$0 ($\$3,000 - \$4,000 = \0)	\$0
Barbara's CSRS benefit is restored to the unreduced amount of \$79,700 / year	\$6,641
Barbara's Income	\$6,641
If Barbara dies first, Ben receives CSRS survivor benefit of 55% of Barbara's unreduced CSRS ($55\% \times \$79,700$)	\$3,652
Ben continues to receive his Social Security	\$3,000
Ben's Income	\$6,652

Taxes on Social Security Benefits

Social Security

According to www.ssa.gov, some people must pay Federal income taxes on their Social Security benefits. This usually happens only if you have other substantial income (such as wages, self-employment, interest, dividends and other taxable income that must be reported on your tax return) in addition to your benefits.

No one pays Federal income tax on more than 85 percent of his or her Social Security benefits based on Internal Revenue Service (IRS) rules if you:

- file a Federal tax return as an "individual" and your combined income* is
 - between \$25,000 and \$34,000, you may have to pay income tax on up to 50 percent of your benefits.
 - more than \$34,000, up to 85 percent of your benefits may be taxable.
- file a joint return, and you and your spouse have a combined income* that is
 - between \$32,000 and \$44,000, you may have to pay income tax on up to 50 percent of your benefits.
 - more than \$44,000, up to 85 percent of your benefits may be taxable.
- are married and file a separate tax return, you probably will pay taxes on your benefits.

***Formula to compute your combined income:**

Total of your adjusted gross income + nontaxable interest + one-half of your Social Security benefits = your combined income

- Each January you will receive a Social Security Benefit Statement (Form SSA-1099) showing the amount of benefits you received in the previous year. You can use this Benefit Statement when you complete your Federal income tax return to find out if your benefits are subject to tax.
- If you do have to pay taxes on your Social Security benefits, you can make estimated tax payments to the IRS or choose to have Federal taxes withheld from your benefits. <https://www.ssa.gov/planners/taxwithhold.html>
- For more information about taxation of benefits, read IRS Publication 915, Social Security and Equivalent Railroad Retirement Benefits. <https://www.irs.gov/pub/irs-pdf/p915.pdf>
- There are only 11 states that tax Social Security benefits. These include: Colorado, Connecticut, Kansas, Minnesota, Missouri, Montana, Nebraska, New Mexico, Rhode Island, Utah, and Vermont. Some follow the Federal rules for determining how much of a beneficiary's Social Security income is taxable, while other states offer their own deductions or exemptions based on age or income, and a few are reducing or eliminating taxation of benefits. (North Dakota did so in 2021 and West Virginia in 2022, amending its tax code to strike Social Security payments from its definition of taxable income.)

Source: www.thebalancemoney.com

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Module 3

Insurance

INTRODUCTION

Insurance

Topics

- Federal Employees Health Benefits Program (FEHB)
- High Deductible Health Plans (HDHP)
- Medicare
- Federal Employees Dental and Vision Insurance Program (FEDVIP)
- Federal Flexible Spending Accounts (FSA)
- Federal Employees' Group Life Insurance Program (FEGLI)
- Federal Long Term Care Insurance Program (FLTCIP)

Notes:

Requirements to continue coverage under the FEHB Program into retirement:

- Retire on an immediate annuity (one that begins within 30 days after separation) which also includes Minimum Retirement Age (MRA) + 10 provisions of the Federal Employees Retirement System (FERS).
 - If you postpone receipt of your annuity because you are eligible for a reduced immediate MRA + 10 retirement, your FEHB enrollment will terminate when you separate from your employment. You may choose to resume FEHB coverage on the date you select your annuity to begin (provided you met the 5 year test below as of the date you originally separated and postponed your annuity).
 - A deferred retirement is not an immediate annuity and does not meet this requirement. A deferred retirement is available when an employee separates from Federal service with at least 5 years of civilian service, but without meeting the age requirement for an immediate retirement (see pages 1-7 and 1-8).
- Covered by FEHB under your own enrollment, or as a family member under another FEHB enrollment for the 5 years of service immediately preceding retirement or since your first opportunity to enroll, if fewer than 5 years. If you are enrolled in FEHB at the time of retirement (for at least one day), your past coverage under the Civilian Health and Medical Program (CHAMPUS) or TRICARE (military health insurance) may be creditable toward 5 years of coverage.

Temporary Continuation of Coverage

If you are not eligible to continue health insurance coverage, you may elect Temporary Continuation of Coverage (TCC). During this time, you will pay the full premium (both the employee and government portions) for up to 18 months. Refer to Booklet RI 70-5, Guide to Federal Employees Health Benefit Plans for TCC and Former Spouse available at www.opm.gov/insure.

Open Season

Open seasons are held for retirees and for active employees. OPM will mail information to retirees on the upcoming open season. Employees and retirees cannot be denied coverage because of age, health, or preexisting conditions. Information on the plans serving your area is available at the following links:

- OPM's Open Season webpage: www.opm.gov/healthcare-insurance/open-season/
- Compare Health Plans - <http://www.opm.gov/healthcare-insurance/healthcare/plan-information/compare-plans/>
- Consumers' Checkbook Guide to Health Plans For Federal Employees - <http://www.checkbook.org/newhig2/hig.cfm>

Notes:

FEHB Coverage in Retirement

FEHB

Suspension or Cancellation

Annuitants may **suspend** or **cancel** their FEHB coverage to enroll in a non-Federal Medicare Advantage Plan, Medicaid, Peace Corps, TRICARE, or TRICARE For Life. Voluntary cancellation of coverage **permanently bars re-enrollment** in the program unless you cancel to enroll as a family member under another person's FEHB coverage. Those who are eligible can apply to **suspend** their coverage at any time.

Annuitants may call OPM's Retirement Information Office at 1-888-767-6738 to obtain a suspension form, **RI 79-9 Health Benefits Cancellation/Suspension Form**, or use an **OPM 2809 Health Benefits Registration Form**. If you suspend a self, self + 1 or family enrollment, coverage for your family members is also suspended. If you suspended coverage, you may re-enroll during a subsequent Open Season.

Premiums:

- The government will continue to pay up to 75 percent of the FEHB premium in retirement. The Office of Personnel Management (OPM) will withhold your portion of the premium from your monthly CSRS or FERS retirement benefit. Annuitants are not, however, eligible for premium conversion that allows Federal employees to pay their health benefit premiums with pre-tax dollars.
- **Note for retired Public Safety Officers:** (i.e., law enforcement officers, firefighters, etc.) You can exclude from income the smaller of the amount of the FEHB or Federal Long Term Care insurance premiums or \$3,000 from your taxable income. Consult IRS Publication 721, Tax Guide to U.S. Civil Service Retirement Benefits.
- If your CSRS or FERS benefit is not large enough to cover your share of the premiums for your FEHB plan, you may either change to a lower-cost plan or option (one in which your share of the premium is low enough to be withheld from your annuity) or choose to pay your premiums directly to OPM. You will be notified by OPM if this situation occurs.

Notes:

Family Coverage

FEHB

During Retirement:

- Family members eligible for coverage under your Self +1 or Self and Family enrollment include your spouse (including a valid common law marriage) and children under age 26, including legally adopted children, stepchildren, and recognized natural (born out of wedlock) children.
- Foster children are included if they live with you in a regular parent-child relationship. A child age 26 or over who is incapable of self-support because of a mental or physical disability that existed before age 26 is also an eligible family member. Your employing office will look at the child's relationship to you as the enrollee to determine whether the child is a covered family member.

Survivors:

- Coverage will automatically continue for a *retiree's* surviving spouse and children (up to age 26 or disabled) if one of them receives a survivor annuity and they were covered under your Self and Family or Self + 1 enrollment at the time of your death. If there is only one family member, the enrollment will be changed automatically to self-only coverage. If your spouse is an eligible Federal employee or retiree, he/she may choose to be covered through their own enrollment or through your survivor annuity.
- A spouse or dependent child of a deceased FERS *employee* may be entitled to continue his or her health benefit enrollment even if no monthly survivor annuity benefit is received. This situation will occur when the surviving spouse is entitled to only the FERS Basic Employee Death Benefit (page 1-52) or a dependent child whose survivor benefit is reduced by Social Security benefits (page 1-53).

Divorce:

- Within 60 days of the date of your divorce or annulment, you may change to a Self Only enrollment and change plans or options. You may continue family enrollment for your children (up to age 26 or disabled) in the event of a divorce whether they reside with you or with your former spouse. Your spouse is eligible for coverage while you are in the process of getting divorced and even while you are legally separated.
- You **must** contact your FEHB plan and/or your employing office to let them know the date of the divorce or annulment and have them remove your ex-spouse from the policy.
- Your ex-spouse may be eligible to enroll under Spouse Equity, or Temporary Continuation of Coverage (TCC), or convert to an individual policy with your carrier.
- The ex-spouse will be required to pay both the government and the employee/retiree portion of his or her health plan premiums under spouse equity and TCC enrollment.
- Enrolling under the Spouse Equity provisions is a three-step process for the ex-spouse. First, you must apply to enroll within the required time limit (31 days from the date of divorce or annulment). Second, you must establish eligibility to enroll. Third, actual enrollment can take place only after the first two steps have been completed.

Resources:

- FEHB Handbook: <https://www.opm.gov/healthcare-insurance/healthcare/reference-materials/fehb-handbook/>
- FAQ: <https://www.opm.gov/healthcare-insurance/insurance-faqs>

High Deductible Health Plans

FEHB

High Deductible Health Plans (HDHPs) are insurance plans that offer greater control over your health care dollars and potential tax incentives. With exception of preventive care, the plan deductible must be met before benefits are paid. The minimum deductible (2024) is \$1,600 (self only) and \$3,200 (family). The maximum out-of-pocket is limited to \$6,000 (self only) and \$12,000 (Self + 1 or Family) when you use in-network PPO providers.

FEHB High Deductible Health Plans credit a portion of your premium to either a Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA). Enrollees with an HSA may contribute **pre-tax** dollars up to \$4,150 (self only) and \$8,300 (Self + 1 or Family) for 2024. This limit applies to the contributions made by the insurance plan as well as enrollee contributions. If you are 55 or older the IRS allows you to contribute up to \$1,000 in catch-up contributions for 2024. The money in the HSA belongs to you even if you change plans or employment.

Example (2024): GEHA Benefit Plan (HDHP)

Bi-weekly Premiums: Self: \$71.45; Self +1: \$153.62; Family: \$188.78

Plan	HSA Bank Contribution	Deductible	Co-insurance – Your Cost	Preventive Care
Self Only	\$83.33/ month \$1,000/year	\$1,600 in network/ \$3,200 out of network	5% of plan allowance in network and 25% out of network	Low or no cost for wellness screenings, exams, dental cleanings, and routine eye exams
Self + 1; Self & Family	\$166.67/ month \$2,000/year	\$3,200 in network/ \$6,400 out of network		
May contribute \$3,150 (Self) and \$6,300 (+ 1; & Family) to your HSA and another \$1,000 if 55+				
Out-of-pocket maximum is \$6,000 (Self); \$12,000 (Self + 1 or Family) in network; out of network is \$8,500 (Self); \$17,000 (Self + 1 or Family).				

Characteristics of an HSA:

- You do not have to use the account funds in the plan year, balance remains in the account.
- The funds will earn **tax-free** interest.
- Withdrawals for qualified expenses are **tax-free**.
- Penalty of 10% for non-qualified expenses, if under 65.
- You will not lose the funds if you change plans, leave Federal service, or retire.

To qualify for an HSA, you must meet the following requirements:

- You must be covered under a High Deductible Health Plan (HDHP).
- You have no other health coverage including Medicare and TRICARE (there are a few exceptions).
- You cannot be claimed as a dependent on someone else's tax return.

Not eligible for an HSA? You will have a Health Reimbursement Arrangement (HRA)

- Entire HRA credit is available from your effective date of enrollment.
- You can use these funds to pay for qualified medical expenses and Medicare premiums.
- You cannot make additional tax-free contributions to these accounts.
- You may carry over unused credits from year to year; however, they will not earn interest.

Medicare

MEDICARE

Medicare is a health insurance program for people who are age 65 and older, or disabled and under age 65, or have end-stage renal disease (permanent kidney failure treated with dialysis or a transplant). Parts A & B are sometimes referred to as Original Medicare. The majority of Federal retirees choose to enroll in Medicare A & B. The following table describes the four parts of Medicare.

Part	Description
A	<p>Part A helps pay for inpatient, home health, and hospice care and prescriptions dispersed in a hospital or skilled nursing facility.</p> <p>It does not include catastrophic coverage or custodial care.</p>
B	<p>Part B helps pay for covered services received from a doctor, outpatient hospital care, diagnostic tests, durable medical equipment, ambulance services, and many other health services and supplies that are not covered by Part A.</p> <p>It does not pay for most routine dental care, eyeglasses, hearing aids, or most prescription drugs.</p>
C	<p>Medicare Advantage Plans are another route to Medicare.</p> <ul style="list-style-type: none"> • If you enroll in a Medicare Advantage Plan you must still enroll in Parts A and B. Medicare Advantage Plans, sometimes called MA Plans, are offered by Medicare-approved private companies that must follow rules set by Medicare. Most Medicare Advantage Plans include drug coverage (Part D). See Page 3-3 regarding suspending FEHB to use a non-FEHB Medicare Part C plan. • See Section 9 of the FEHB plan brochures as some FEHB plans also offer an enhanced benefit of a Medicare Advantage Plan which provides additional benefits. Do not suspend your FEHB coverage if you add this option.
D	<p>Prescription drug plans help pay for outpatient prescription drugs. These plans are approved by Medicare but run by private companies. Different plans cover different drugs and may be offered only in specific areas of the country. You may choose the plan that best meets your needs.</p> <p>Federal retirees who are covered by an FEHB plan or military retirees covered by TRICARE For Life usually do not need Medicare Part D. FEHB plans in general have prescription drug coverage that is, on average, expected to pay out as much as the standard Medicare prescription drug coverage.</p>

Resource: www.medicare.gov or call 1-800-Medicare (633-4227)

Notes:

Enrollment in Medicare**MEDICARE**

Initial Enrollment Period						
3 months before the month you turn 65	2 months before the month you turn 65	1 month before the month you turn 65	The month you turn 65	1 month after the month you turn 65	2 months after the month you turn 65	3 months after the month you turn 65
Sign up early to avoid a delay in coverage. To get Part A and/or Part B the month you turn 65, you must sign up during the first 3 months before the month you turn 65.			If you sign-up the month you turn 65 or during the 3 months after you turn 65, your coverage begins the following month.			

Special Enrollment Period

If you did not sign up for Part A and/or Part B (for which you pay monthly premiums) during your Initial Enrollment Period because you are covered under a group health plan based on **current** employment, you qualify for a Special Enrollment Period (SEP). You can sign up for Part A and/or Part B as follows:

Anytime that you or your spouse (or family member if you are disabled) are working, and you are covered by a group health plan through the employer or union based on that work	Or	During the 8-month period that begins the month after the employment ends or the group health plan coverage ends, whichever happens first. To sign up for Part B while you are employed or during the 8 months after employment ends, complete an Application for Enrollment in Part B (CMS-40B) and a Request for Employment Information (CMS-L564) .
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General Enrollment Period

If you did not sign up for Part A and/or Part B (for which you pay monthly premiums) during your Initial Enrollment Period, you can sign up beginning January 1 through March 31 each year. Your coverage will begin the month following your enrollment.

Premium Penalties: Part B

If you do not sign up for Part B when you are first eligible, you may have to pay a penalty if you enroll later. For each 12-month period you delay enrollment in Part B, you will have to pay an extra 10% of the standard Part B premium, unless you qualify for a special enrollment period.

Example: Mr. Smith's Initial Enrollment Period ends September 30, 2021. He is planning to sign up for Part B during the General Enrollment Period in March 2024. His Part B premium penalty will be 20%. (While Mr. Smith will wait a total of 30 months to sign up, this is only two full 12-month periods.)

Notes:

Medicare Premiums	MEDICARE
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Part A: You do not have to pay a premium for Medicare Part A for you or your spouse because you paid the Medicare tax (currently 1.45 percent).

Part B: Most people will pay the standard Part B premium amount of \$174.70 in 2024. Some will pay more due to IRMAA (Income Related Monthly Adjustment Amount) premiums as shown below:

2024 Medicare Part B Premiums		
If 2022 Modified Adjusted Gross Income is:		Then Your 2024 Premium is:
Single	Married Couple	You Each Pay per month
\$103,000 or less	\$206,000 or less	\$174.70
\$103,001–\$129,000	\$206,001–\$258,000	\$244.60
\$129,001–\$161,000	\$258,001–\$322,000	\$349.40
\$161,001–\$193,000	\$322,001–\$386,000	\$454.20
\$193,001–\$500,000	\$386,001–\$750,000	\$559.00
\$500,001 and above	\$750,001 and above	\$594.00

As a beneficiary, you have the right to appeal if you believe that an Income Related Monthly Adjustment Amount (IRMAA) is incorrect for one of the qualifying reasons. First, you must request a reconsideration of the initial determination from the Social Security Administration by calling 1-800-772-1213 or filing IRMAA Life Changing Event, Form SSA-44.

- You married, divorced, or became widowed;
- You or your spouse stopped working or reduced your work hours;
- You or your spouse lost income-producing property due to a disaster or other event beyond your control;
- You or your spouse experienced a scheduled cessation, termination, or reorganization of an employer’s pension plan; or
- You or your spouse received a settlement from an employer or former employer because of the employer’s closure, bankruptcy, or reorganization.

If any of the above applies to you, Social Security will need to see documentation verifying the event and how it has reduced your income. The documentation you provide should be related to the event and may include a death certificate, a letter from your employer about your retirement, or something similar. If you filed a Federal income tax return for the year in question, you would need to show Social Security your signed copy of the return.

Notes:

Medicare Part A and FEHB**MEDICARE**

Having coverage under both Medicare Part A and FEHB will enhance your overall healthcare coverage. Certain FEHB services are covered more generously when the participant is also enrolled in Medicare.

Medicare is generally the primary payer and FEHB is the secondary payer if FEHB premiums are deducted from your retirement benefit (or a spouse's retirement). This means that Medicare will be billed for payment of medical services first and FEHB will be billed for the remainder after Medicare pays. In many cases, your deductible and copayments will be waived under your FEHB plan and your out-of-pocket expenses will be reduced to zero. See Section 9 of your FEHB plan 2023 brochure.

The following chart shows the amount Medicare pays for Part A services and the amount FEHB pays as the secondary payer.

2024 Payment by Medicare Part A (Primary) and FEHB (Secondary)		
Hospital Charge	Medicare Pays*	FEHB Pays
Up to 60 days of semiprivate room and board, general nursing, and miscellaneous services and supplies	All but \$1,632	\$1,632
61st through 90th day	All but \$408 per day	\$408 per day (30 days x \$408 = \$12,240)
Days 91 and beyond (up to 60 lifetime reserve days)	All but \$816 per day	\$816 per day (60 days x \$816 = \$48,960)
After 60 lifetime reserve days are used, additional days	\$0	All charges (there may be some out-of-pocket charges in a nonmember hospital)

*Table uses 2024 rates.

Notes:

Medicare Part B and FEHB

MEDICARE

Advantages of enrolling in Medicare Part B:

- Medicare caters to the needs of people age 65 and over. Consider coverage for services such as skilled nursing care, physical therapy, and durable medical equipment when you are comparing your FEHB plan to Medicare.
- Many FEHB plans provide incentives to enroll in Medicare A & B such as waiving their deductibles, coinsurance, and copayments when Medicare is the primary payer.
- Some FEHB plans provide an incentive of partial reimbursement of the Part B premium.
- There are some FEHB plans that offer an enhanced benefit of Medicare Advantage coverage which requires a second enrollment step to participate in those benefits.
- If you are eligible for premium-free TRICARE for Life (TFL), you must be enrolled in Medicare A & B to have this coverage and you may suspend FEHB as an annuitant.

Disadvantages of enrolling in Medicare Part B:

- The extra cost of enrollment in Medicare Part B is not a requirement to remain covered under FEHB.
- If you are age 65 and choose not to enroll in Medicare, FEHB plans are required by law to limit their payments for inpatient and physician care to the amount payable as if you had Medicare.
- You must consider the needs of other family members who may not be eligible for Medicare when choosing an FEHB plan.
- Higher income retirees may be impacted by the IRMAA rates which may reduce the advantages of combining FEHB and Medicare Part B.

Change in FEHB Enrollment

Outside of the FEHB Open Season period, you may change your FEHB enrollment to a different available plan or option at any time beginning on the 30th day before you become age 65. You may use this opportunity only once by completing OPM Form 2809 and using Qualifying Life Event 2L.

Status from Primary to Secondary Payer

If you are already 65 or older when you retire, you will need to call the Medicare Coordination of Benefits Contractor at 1-800-633-4227. TTY users should call 1-877-486-2048. Provide your name, the name and address of your health plan, your policy number, and the date coverage changed (the date of your retirement). Be sure to tell your doctor and other providers about the change in your insurance or coverage because Medicare now becomes primary payer. You should also contact your FEHB plan to let them know when you are enrolled in Medicare.

Notes:

Coordination of Benefits**MEDICARE**

The following chart will help determine when Medicare will be the primary payer:

When you or your covered spouse are age 65 or over and have Medicare and you...	Primary Payer	Secondary Payer
1. Have FEHB coverage on your own as an active employee or through your spouse who is also an active employee	FEHB	Medicare
2. Have FEHB coverage on your own as an annuitant or through your spouse who is an annuitant (receiving a Federal retirement benefit)	Medicare	FEHB
3. Are a re-employed annuitant with the Federal government and your position is excluded from FEHB and you are not covered by FEHB through your spouse under #1 above	Medicare	FEHB
4. Are a re-employed annuitant with the Federal government and your position is not excluded from the FEHB and... a. You have FEHB coverage on your own or through your spouse who is also an active employee b. You have FEHB coverage through your spouse who is an annuitant	FEHB	Medicare
	Medicare	FEHB
5. Are a Federal judge who retired under title 28, U.S.C. or a Tax Court Judge who retired under Section 7447 of title 26, U.S.C., or if your covered spouse is this type of judge and you are not covered under FEHB through your spouse under #1 above	Medicare	FEHB
6. Are enrolled in Medicare Part B only, regardless of your employment status	Medicare for Part B services/FEHB for all other services	FEHB
7. Are a former Federal employee receiving Workers' Compensation disability benefits for six months or more	Medicare**	FEHB
** Workers' Compensation is primary for claims related to your condition under Workers' Compensation.		
When you or a covered family member...		
1. Have Medicare solely based on end stage renal disease (ESRD) and... a. It is within the first 30 months of eligibility or entitlement to Medicare due to ESRD b. It is beyond 30 months coordination period and you or a family member are still entitled to Medicare due to ESRD	FEHB	Medicare
	Medicare	FEHB
2. Become eligible for Medicare due to ESRD while already a Medicare beneficiary and... a. The FEHB plan was the primary payer before eligibility due to ESRD b. Medicare was the primary payer before eligibility due to ESRD	FEHB for the 30-month coordination period	Medicare
	Medicare	FEHB

Notes:

Federal Employees Dental and Vision Insurance Program

FEDVIP

The Federal Employees Dental and Vision Insurance Program (FEDVIP) offers comprehensive dental and vision benefits. FEDVIP is not part of the FEHB program or any supplementary dental and vision product offered by the FEHB plan.

The dental carriers are:

- Aetna Dental
- BCBS FEP Dental
- GEHA Connection Dental Federal
- MetLife Federal Dental Plan
- United Concordia Dental
- United HealthCare Dental
- Delta Dental's Federal Employees Dental Program

The vision carriers are:

- Aetna Vision Preferred
- BCBS FEP Vision
- UnitedHealthcare Vision
- VSP Vision Care
- MetLife Federal Vision Plan

Regional Dental Service Providers:

- Dominion National
- Humana Dental
- EmblemHealth Dental
- HealthPartners® Dental
- Triple-S Salud

Federal employees who are eligible to enroll in FEHB may enroll in FEDVIP:

- During your first 60 days as a newly eligible employee; or
- During the Federal Benefits Open Season (mid-November to mid-December); or
- When you have a qualifying life event such as marriage or losing other dental coverage.

Federal retirees are eligible to enroll in FEDVIP if you:

- Retired on an immediate or disability annuity under CSRS, FERS or another retirement system for employees of the Federal Government.

Continuation of FEDVIP coverage into retirement:

- FEDVIP does not require 5 years of coverage prior to retirement to carry coverage into retirement.
- Your FEDVIP coverage will end if you retire on an MRA+10 retirement and postpone receipt of your annuity. You can re-enroll in FEDVIP when you begin to receive your annuity.

Eligible Family Members include your spouse and unmarried dependent children under age 22, which includes legally adopted children, stepchildren and foster children who live with you in a regular parent-child relationship. Under certain circumstances, you may continue coverage for a disabled child 22 years old or older.

FEDVIP rules and FEHB rules for family member eligibility are NOT the same.

Contact www.BENEFEDS.com to enroll during Open Season or call 1-877-888-FEDS (3337) or TTY 1-877-889-5680.

Federal Flexible Spending Accounts**FSA**

- Federal Flexible Spending Accounts (FSAs) allow employees to use pre-tax dollars to pay for medical and/or dependent care expenses.
- Employees may also contribute to a Dependent Care FSA (DCFSA) to help pay for dependent care expenses. A married couple who are both eligible to participate in an FSA at work (private sector or Federal) may each have an HCFSA of up to \$3,200 (2024), but only a combined DCFSA of \$5,000 (2024).
- You may draw upon your FSA accounts for reimbursement as you incur eligible expenses. This money can be used for eligible expenses for you, your spouse, and your dependents. A comprehensive list of eligible expenses can be found at www.fsafeds.com.
- Employees enrolled or covered by a High Deductible Health Plan (HDHP) may use a Limited Expense Health Care Flexible Spending Account (LEX HCFSA) to cover dental and vision expenses.

Health Care Flexible Spending Account (HCFSA)

- Employees elect a yearly contribution for each type of account that is deducted as a paycheck allotment. For instance, if an employee elects to contribute \$1,040 to an HCFSA and \$520 to a DCFSA and is paid biweekly, the agency will allot \$40 and \$20, respectively. Employees may elect up to \$3,200 for an HCFSA, but not less than \$100 for an annual FSA contribution.
- The benefit elections are irrevocable once the plan year has begun unless the employee experiences a qualifying change-in-status event.
- To be eligible for up to a \$640 carryover for the HCFSA, participants must have enrolled during Open Season or as a new hire during the year and must meet the following requirements:
 - Be actively employed by an FSAFEDS-participating agency and contributing to a Health Care FSA or a Limited Expense Health Care FSA account through December 31; and
 - Reenroll for the next benefit period. If you do not reenroll, you forfeit your right to a carryover amount.

Dependent Care Flexible Spending Account (DCFSA)

- Employees may elect up to the maximum of \$5,000 for a DCFSA per household (\$2,500 if married filing separately).
- However, if you have more than \$5,000 in dependent care expenses (effectively paid with after-tax dollars since you added it to your income), you may be able to use that additional amount to claim a dependent care tax credit on the IRS Form 2441. Your excess contribution is not "lost" but can still be used to offset some dependent care expenses. Contact your tax advisor if you need further guidance.
- The grace period still applies to the DCFSA, which means you have from January 1 to March 15 of the following year to incur expenses and use funds from the previous plan year.
- You can use your DCFSA account to pay for the eligible dependent expenses of a qualifying child (your child under the age of 13) or relative (your spouse, adult relative or adult child who is physically or mentally incapable of self-care).

Federal retirees are not eligible to participate in the FSA program. Once you retire, you can no longer contribute money to an account (with the exception of some re-employed annuitants).

The following is from the FAQs on www.fsafeds.com

What happens if I separate or retire before the end of the Plan Year?

The balances in your HCFSA, LEX HCFSA and DCFSA are treated differently if you separate or retire before the end of the calendar year.

Your HCFSA or LEX HCFSA will terminate as of the date of your separation or retirement. There are no extensions. Any eligible health care expenses incurred prior to the date of separation will still be reimbursed but those incurred after the separation date are not reimbursable, even if you accelerated your allotments. ***If you used your entire elected amount before FSAFEDS has deducted it from your pay, you will not be responsible for the remaining allotments.***

Unlike the HCFSA, you may only be reimbursed up to the funds available in your DCFSA on the day your claim is processed. Your entire election is not available on the first day of the benefit period. Your DCFSA remaining balance can continue to be used to pay for eligible dependent care expenses until your account balance is depleted or the end of the calendar year, whichever comes first.

For example:

Richard is enrolled in both a HCFSA and DCFSA for the 2024 Benefit Period and retires on June 30, 2024. He may only submit claims for health care expenses which are incurred prior to his June 30, 2024 separation date, but he can continue to incur dependent care expenses through December 31, 2024 or until his balance is depleted. He would not be eligible for the grace period under his DCFSA.

Notes:

Life Insurance**FEGLI**

FEGLI is group term life insurance available to you and your family as a Federal employee and during your retirement. This type of insurance builds no cash value and the cost rises with age. You may not continue accidental death and dismemberment insurance after retirement.

- FEGLI consists of Basic life insurance and three optional types of coverage.
- The Government pays one-third of the premium for Basic life insurance.
- Employees pay two-thirds of the premium for Basic life insurance and the full cost of any optional coverage they elect.

New Federal employees are automatically covered by Basic life unless they waive coverage. Employees must have basic insurance in order to elect any of the options.

FEGLI Web Site	www.opm.gov/healthcare-insurance/life-insurance/
Link	Contents
FEGLI Calculator	<ul style="list-style-type: none"> • Determine the face value of your current FEGLI coverage • Calculate the premiums for various combinations of coverage • Determine if choosing a different option can change the amount of your life insurance and your premium withholdings • Determine how the life insurance carried into retirement will change over time
FEGLI Handbook	Detailed guidance for employees, annuitants, compensationers, and employing offices
FEGLI Publications	<ul style="list-style-type: none"> • FEGLI Booklet for Federal Employees (FE 76-21) • FEGLI Booklet for Postal Employees (FE 76-20) • FEGLI Information for Retirees and Their Families (RI 76-12) • FEGLI Publications and Forms: https://www.opm.gov/healthcare-insurance/life-insurance/reference-materials/

Notes:

Life Insurance and Optional Coverage

FGLI

Basic Life

Basic coverage is an employee’s annual salary rounded up to the next \$1,000 plus \$2,000. However, younger employees are covered by an additional Basic insurance provision called the Extra Benefit, which doubles the amount of Basic insurance payable at no extra cost for enrollees age 35 or younger. Beginning on an enrollee's 36th birthday, the Extra Benefit decreases 10% each year until age 45, after which, there is no Extra Benefit.

The cost of basic life coverage is \$0.16 per \$1,000 biweekly. New rates effective 10/1/2021.

Example
Salary = \$47,300
Coverage = \$50,000
Cost is 50 x .16 = \$8.00 biweekly

Optional Coverage

There are three types of optional coverage that you may elect and pay the full cost for each.

Cost of Optional Coverage			
Age Group	Biweekly Cost by Option		
	A: Standard (\$10,000 coverage)	B: Additional Up to 5x annual basic pay (per \$1,000 of Coverage)	C: Family Coverage for Spouse and dependent Children* (for each Multiple of Coverage)
Under age 35	\$0.20	\$0.02	\$0.20
35–39	\$0.20	\$0.02	\$0.24
40–44	\$0.30	\$0.03	\$0.37
45–49	\$0.60	\$0.06	\$0.53
50–54	\$1.00	\$0.10	\$0.83
55–59	\$1.80	\$0.18	\$1.33
60–64	\$6.00	\$0.40	\$2.43
65–69	\$6.00	\$0.48	\$2.83
70–74	\$6.00	\$0.86	\$3.83
75–79	\$6.00	\$1.80	\$5.76
80+	\$6.00	\$2.88	\$7.80

* This type of coverage provides \$5,000 for your spouse and \$2,500 for each child. You may elect additional coverage in multiples of up to five times the base amount.

Life Insurance Changes**FEGLI****Changes to FEGLI while employed:**

An employee who experiences a Qualifying Life Event (QLE - marriage, divorce, death of a spouse or birth or adoption of a child) will have 60 days to elect Basic, plus any or all optional insurance [Option A, Option B (up to 5 multiples) and Option C (up to 5 multiples)]. If there were reasons why the employee was not able to elect coverage within this time limit, the employing agency may allow a 6-month belated election opportunity.

Federal employees who are called to active duty for more than 30 days may continue their FEGLI coverage for up to 24 months. FEGLI is free for the first 12 months; however, employees must pay the employee and agency share of the premiums for their Basic and any optional coverage they may have for the additional 12 months of coverage.

To enroll in FEGLI outside of an open enrollment or a life event, you can request a Standard Form 2822 from your human resources office (also available at www.opm.gov/insure/life) and obtain a physical. If the Office of Federal Employees' Group Life Insurance (OFEGLI) approves your request, you are automatically enrolled in Basic. If you want Optional insurance (Options A, B) as well as Basic, you can enroll in Option A and/or Option B within 60 days from the date of OFEGLI's approval. Obtaining a physical does not allow you to enroll in Option C. You must either enroll in Option C during an unrestricted Open Enrollment or else in connection with a QLE.

To continue your FEGLI coverage into retirement:

Retirees maintain the basic and optional coverage that was in effect on the last day of their employment. No Open Enrollments. No Qualifying Life Events. To qualify you must:

- Retire on an immediate annuity (one that begins within 30 days after separation) or a postponed immediate annuity under the MRA + 10 provisions of FERS.
- Have been enrolled in FEGLI for the 5 years immediately preceding the starting date of your annuity (or for a FERS retiree who elected a postponed annuity, the 5 years immediately preceding your separation) or, if fewer than 5 years, for the entire period that coverage was available to you.
- Have not converted to an individual policy.
- Have not waived coverage of Basic life insurance.

Notes:

Basic Life Insurance and Retirement

FEGLI

You will pay a premium for Basic coverage during retirement only until age 65. After that you will receive Basic coverage at no cost. However, you will continue to pay premiums for your optional coverage. Once you reach 65, or at retirement, whichever is later, your Basic coverage will be reduced by 2 percent per month until it reaches 25 percent of the original value—a 75 percent reduction.

For an additional cost, you may elect to maintain 50 percent or all of your Basic coverage after you retire and are over age 65. If you elect 50 percent, your Basic coverage will be reduced by 1 percent per month until it reaches 50 percent of the original value.

Election of retirement coverage is made on Standard Form SF 2818.

Cost of Basic Coverage After Retirement		
Reduction at age 65	Cost before age 65	Cost on and after age 65
75%	\$0.3467*	Free
50%	\$1.0967*	\$0.75*
None	\$2.5967*	\$2.25*

*Per \$1,000 per month

Example: Cost of Basic Coverage After Retirement			
<ul style="list-style-type: none"> • Age at retirement: 61 • Basic coverage: \$50,000 			
Retirement election (reduction at age 65)	Amount of insurance after reduction:	Cost per month before age 65	Cost per month on and after age 65
75%	\$12,500	\$17.34	Free
50%	\$25,000	\$54.84	\$37.50
None	\$50,000	\$129.84	\$112.50

NOTE 1: Employees who continue working past age 65 may continue FEGLI basic coverage at the normal employee premium rate. Their life insurance will begin to reduce at retirement and additional premiums may be charged, based on the election made on Standard Form 2818.

NOTE 2: If you elect 50 percent or no reduction at retirement, you may cancel this election at any time. You will then get 75 percent reduction. If you have assigned your insurance, you cannot cancel your election of 50 Percent Reduction or No Reduction. Only your assignee(s) can cancel your election.

Basic Life Insurance and Optional Coverage**FEGLI**

Living Benefit: You may elect to receive a lump-sum payment if you are terminally ill and have a documented medical prognosis that your life expectancy is 9 months or fewer. If you elected a partial living benefit, you must elect No Reduction at retirement for your Basic insurance. You cannot later cancel that election. If you elected a partial living benefit, you may not change from No Reduction to 75 percent reduction.

Assignment: You may assign your life insurance to another individual(s), corporation, or trustee. You are still the insured person, but you no longer own the insurance on your life. You will continue to pay the FEGLI premiums from your employee salary or retirement annuity. An assignment is irrevocable. You may not later change your mind or cancel the assignment. You may only assign your Basic insurance and Option A or B coverage. Once you have retired, if you have assigned your insurance, only your assignee(s) may change from No Reduction to Full Reduction for your Option B coverage.

Optional Coverage

If you are covered under Option A when you retire, your coverage will continue in full until you reach age 65, or at retirement, whichever is later, and then it will be reduced by 2 percent per month until it reaches \$2,500. Once it starts to reduce, Option A has no further premiums. There are no other choices for Option A other than to cancel this coverage.

If you are covered by Options B and/or C when you retire, you may continue the highest number of multiples in effect during the 5 years of service immediately preceding retirement or since first opportunity and during all subsequent periods of opportunity, you may choose full reduction for some multiples and no reduction for other multiples.

- Full reduction—At age 65 or at retirement, whichever is later, the amount of your Option B and/or Option C coverage will begin to reduce at the rate of 2 percent per month until it reaches zero. Once coverage begins to reduce, there are no further premiums.
- No reduction—At age 65, or at retirement, whichever is later, the full amount of your Option B and/or Option C coverage will continue for life unless you change it to full reduction.

Notes:

Optional Coverage and Retirement

FEGLI

Example: Options A, B, and C Monthly Premiums					
	\$10,000 (Retiree) Option A	\$240,000 (Retiree) Option B		\$25,000 (Spouse) Option C, 5 Multiples	
Age	Cost	Cost per \$1,000	Cost for \$240,000	Cost per Multiple	Cost for 5 Multiples
50-54	\$2.17	\$0.217	\$52.08	\$1.80	\$9.00
55-59	\$3.90	\$0.390	\$93.60	\$2.88	\$14.40
60-64	\$13.00	\$0.867	\$208.08	\$5.27	\$26.35
65-69	\$0	\$1.040	\$249.60	\$6.13	\$30.65
70-74	\$0	\$1.863	\$447.12	\$8.30	\$41.50
75-79	\$0	\$3.900	\$936.00	\$12.48	\$62.40
80+	\$0	\$6.240	\$1,497.60	\$16.90	\$84.50

Employees may cancel their Basic and/or optional life insurance coverage at any time electronically or by completing a new SF-2817, Life Insurance Election Form. If you cancel your Basic life insurance, you will also lose any optional coverage you may have.

Retirees will need to write to:

U.S. Office of Personnel Management
 Retirement Operations Center
 P.O. Box 45
 Boyers, PA 16017-0045

NOTE: Before you reach age 65, you may change from No Reduction to Full Reduction at any time. Shortly before you reach age 65, OPM will send you a letter reminding you of your initial election and asking if you want to make any changes. At that time, you can choose to change your initial election and have some multiples of Option B and/or Option C (as applicable) coverage reduce and others not reduce. You may change from No Reduction to 75 percent reduction at any time unless you assigned your insurance (Option B only).

Be sure to include your retirement claim number (CSA number) or Social Security number and specify what action you want taken. Please note you cannot increase your coverage after retirement, or reinstate any coverage that you cancel.

Notes:

FEGLI Form SF-2818, Continuation of Life Insurance Coverage as a Retiree



Continuation of Life Insurance Coverage As an Annuitant or Compensationeer Federal Employees' Group Life Insurance (FEGLI) Program

Important:
Read instructions on pages 1 - 3
before completing this form.

Identifying Information

1. Employee's name (<i>last, first, middle</i>)	2. Date of birth (<i>mm/dd/yyyy</i>)	3. Social Security number
4. Employing department/agency	5. Work location (<i>city, state, ZIP code</i>)	6. Compensation claim number (<i>if applicable</i>)

Basic Life Insurance

7. Do you want to have Basic Life insurance in retirement/compensation if you are eligible?

Yes (*If yes, complete item 8.*)

 No

 I received a full Living Benefit. (*skip to Item 9*)

8. What level of Basic do you want in retirement/compensation? *Check only one box. If you received a partial Living Benefit, you must check No Reduction.*

75% Reduction

 50% Reduction

 No Reduction

Option A — Standard Optional Insurance

9. Do you want to have Option A in retirement/compensation if you are eligible? To continue Option A, you must also continue Basic. (*Check "yes" only if you currently have as an employee*)

Yes

 No

 I don't have Option A.

Option B — Additional Optional Insurance

10. Do you want to have Option B in retirement/compensation if you are eligible? To continue Option B, you must also continue Basic. (*Check "yes" only if you currently have as an employee*)

Yes (*If yes, complete item 11.*)

 No

 I don't have Option B.

11. How many multiples of Option B do you want to have in retirement/compensation? You can elect up to the number of multiples you are eligible to continue in retirement. Put a number on each line to indicate how many multiples you want for NO REDUCTION and FULL REDUCTION. If the number is "zero", "0" should be written on that line. The total of both No and Full Reduction multiples cannot exceed 5. See the instructions.

_____ (*number of NO REDUCTION multiples*) _____ (*number of FULL REDUCTION multiples*)

Option C — Family Optional Insurance

12. Do you want to have Option C in retirement/compensation if you are eligible? To continue Option C, you must also continue Basic. (*Check "yes" only if you currently have as an employee.*)

Yes (*If yes, complete item 13.*)

 No

 I don't have Option C.

13. How many multiples of Option C do you want to have in retirement/compensation? You can elect up to the number of multiples you are eligible to continue in retirement. Put a number on each line to indicate how many multiples you want for NO REDUCTION and FULL REDUCTION. If the number is "zero", "0" should be written on that line. The total of both No and Full Reduction multiples cannot exceed 5. See the instructions.

_____ (*number of NO REDUCTION multiples*) _____ (*number of FULL REDUCTION multiples*)

Signature

14. **Signature (Do not print.)** Only the insured may sign. Signatures by guardians, conservators, or through a power of attorney are not acceptable.

Date (mm/dd/yyyy)

Long Term Care Insurance

LTC

Long term care encompasses a wide range of health and personal care – from simple assisted living arrangements to intensive nursing home care – for elderly or disabled person(s). This type of care can include a combination of medical, nursing, custodial, social, and community services designed to help people who have disabilities or chronic care needs, including dementia. Services may be provided in the person's home, in the community, in assisted living facilities or in nursing homes. This type of care generally involves:

- Help with Activities of Daily Living (ADLs) and/or
- Supervision for individuals with cognitive impairment.

All tax-qualified long term care insurance plans allow benefits to be paid when you need assistance with 2 of 6 ADLs or a cognitive impairment. ADLs are things we take for granted. When you wake up in the morning and hop out of bed and get dressed, you are doing ADLs. Standard ADLs include:

- Bathing
- Dressing
- Eating
- Transferring
- Continence
- Toileting

A cognitive impairment is a deficiency in a person's short or long-term memory; orientation as to person, place, and time; deductive or abstract reasoning; or judgment as it relates to safety awareness. It is not just being a little bit forgetful. An individual with Alzheimer's disease would be considered to have a cognitive impairment.

Who Provides and Pays for Long Term Care?

Public programs currently cover 16% of all long term care. These programs include:

- Medicare (limited to skilled care; does not cover unskilled care in a nursing home)
- Medicaid (income based / nursing home care only)
- Community services
- Department of Veterans Affairs (limited to certain veterans and spouses)

Private options include:

- Family caregiver (71% of all long term care)
- Voluntary and faith-based organizations
- Long term care insurance
- Personal savings and investments (5.2% of all care)
- Reverse mortgages
- Continuing Care Retirement Communities (CCRC)
- Life insurance, annuities and trusts

Source: AARP.org

Federal Long Term Care Insurance Program Suspension**LTC****Suspension Period for FLTCIP Applicants**

The U.S. Office of Personnel Management (OPM) suspended applications for coverage under the Federal Long Term Care Insurance Program (FLTCIP) **effective December 19, 2022**.

OPM suspended applications for coverage under the FLTCIP to allow OPM and the FLTCIP carrier, John Hancock Life & Health Insurance Company, the time to thoroughly assess benefit offerings and establish sustainable premium rates that reasonably and equitably reflect the cost of the benefits provided, as required under 5 U.S.C. 9003(b)(2). For additional information about FLTCIP premiums, you may visit [LTCFEDS.com/about-premiums](https://www.ltcfeds.com/about-premiums).

OPM has determined that a suspension of applications for FLTCIP coverage, including coverage increases, is in the best interest of the program. OPM published a Federal Register Notice of Suspension for current and newly eligible individuals applying for coverage under the FLTCIP after the final regulation was published.

As of December 19, 2022, individuals not currently enrolled may not apply for coverage, and current enrollees may not apply to increase their coverage. The suspension will remain in effect for 24 months, unless OPM issues a subsequent notice to end or extend the suspension period.

Eligible individuals who submitted an application for FLTCIP prior to the start of the suspension period will have their application considered. If the application is approved for coverage, then the individual will receive a benefit booklet and schedule of benefits with complete coverage information.

Current FLTCIP Policy Holders

Current enrollees' coverage status will not change as long as they continue to pay premiums. For those in a claim status, there is no change to coverage or the claims reimbursement process as long as benefits have not been exhausted.

To start a claim:

- Review Eligibility Requirements
A licensed health care practitioner has certified in the last 12 months that you are unable to perform, without substantial assistance from another person, at least two **activities of daily living** for an expected period of at least 90 days due to a loss of functional capacity, or you require substantial supervision due to your **severe cognitive impairment**.
- Contact Customer Service to discuss the claims process and review the information needed from you, including the necessary forms.
- Complete the FLTCIP Claims Initiation Form, along with medical documentation.
- Next steps include FLTCIP customer service contacting your physician, requesting medical records, possibly a medical exam, and conducting an on-site assessment.
- FLTCIP Decision: this process may take several weeks, depending on the amount of information needed to determine your eligibility for benefits. A written notice of the final decision will be sent no later than 10 business days after all the information has been gathered.

Source: <https://www.ltcfeds.com/claims-information/starting-claims>

Resources for Information on LTC Insurance

LTC

Resources for Long Term Care	
Resource	Contact Information
FedPoint (Administrators of the Federal Long Term Care Insurance Program) www.LTCFEDS.com Call Center hours: 8 AM – 6 PM ET	Long Term Care Partners, LLC PO Box 797 Greenland, NH 03840 Phone: 1-800-582-3337 TTY: 1-800-843-3557 Int/l: 1-571-730-5938
American Health Care Association	1201 L St. NW Washington, DC 20005 202-842-4444 www.ahcancal.org
National Association of Insurance Commissioners	120 W 12 th ST, STE 1100 Kansas City, MO 64105 816-842-3600 www.naic.org
LongTermCare.gov	http://longtermcare.gov Service of the U.S. Department of Health and Human Services

Steps to determine if you are able to self-fund a period of long term care? ¹

- What is your likelihood of needing care?
 - <https://www.ltcfeds.com/long-term-care>
- What is the cost of care?
 - <https://www.ltcfeds.com/planning-tools/tools>
- What type of care would best fit your needs and situation?
 - <https://www.ltcfeds.com/long-term-care/options>
- Think about backup plans. Aging in Place options.
 - <https://www.nia.nih.gov/health/aging-place-growing-older-home>
- Can your retirement income support funding long term care?
- Can you separate your long term care assets from your spendable assets?

NOTE: Determining if you can self-fund may require the assistance of a trusted and qualified financial advisor.

¹ <https://www.morningstar.com/articles/887642/theres-no-magic-number-for-self-funding-long-term-care>

Notes:

Long Term Care Statistics**LTC****Long Term Care Statistics**

- Over 80% of elderly people receiving assistance, including many with several functional limitations, live in private homes in the community, not in institutions
- 65.7 million informal and family caregivers provide care to someone who is ill, disabled or aged in the U.S.
- Annually 8,357,200 people receive support from the 5 main long term care service; home health agencies (4,742,500), nursing homes (1,383,700), hospices (1,244,500), residential care communities (713,300) and adult day service centers (273,200).
- Of the older population with long term care needs in the community, about 30% (1.5 million persons) have substantial long term care needs (three or more ADL limitations). Of these, about 25% are 85 and older and 70% report they are in fair to poor health.
- Individuals 85 years and older are one of the fastest growing segments of the population. In 2012, there are an estimated 5.9 million people 85+ in the United States. [Updated February 2015] This figure is expected to increase to 19.4 million by 2050. This means that there could be an increase from 1.6 million to 6.2 million people age 85 or over with severe or moderate memory impairment in 2050.

<https://www.caregiver.org/resource/selected-long-term-care-statistics/>

Module 4

Thrift Savings Plan

INTRODUCTION**TSP**

Topics:

- Contributions
 - Investment Options
 - Loans and In-Service Withdrawals
 - Distributions and Taxes
-
- The Thrift Savings Plan (TSP) is a retirement savings and investment plan for Federal employees. The TSP is administered by the Federal Retirement Thrift Investment Board (FRTIB) and is an independent Federal agency. The Presidentially-appointed Board members develop and establish the policies governing the TSP. The Executive Director of the Board serves as the head of the Agency which manages the Plan. There are approximately 250 Federal employees who work for the FRTIB.
 - The TSP serves more than 6.95 million participants as of December 2023 and was implemented in 1987 as the third “leg” of the Federal Employees Retirement System.
 - Employees must participate and manage their accounts throughout their careers in order to have adequate retirement savings that will supplement the FERS Basic Benefit and Social Security retirement benefits.
 - TSP savings can provide an additional stream of income during retirement and is a flexible and portable part of your retirement plan.

The TSP is similar to 401(k) and 403(b) plans that are offered in private sector and nonprofit organizations.

Note: When the NITP presentation includes a financial planning segment, the TSP will be covered during that time. If you are attending a benefits presentation only, then the TSP will be addressed with a focus on the “benefit” without providing specific tax planning or financial planning education.

Notes:

Civil Service Retirement System (CSRS) employees may contribute to the TSP but do not receive any automatic or matching contributions from their agency.

FERS employees must contribute at least 5 percent **every pay period** of the year to receive full matching for the year. The matching occurs biweekly – not annually.

To learn more about TSP Basics, you may explore these pages on the TSP website:

- New-Hire Information
<https://www.tsp.gov/publications/tsplf41.pdf>
- Find out how the TSP fits into your retirement
<https://www.tsp.gov/tsp-basics/how-tsp-fits/>
- Check whether you can move money into the TSP
<https://www.tsp.gov/tsp-basics/move-money-into-tsp/>
- Check administrative and investment expenses
<https://www.tsp.gov/tsp-basics/administrative-and-investment-expenses/>
- Learn about designating beneficiaries
<https://www.tsp.gov/tsp-basics/designating-beneficiaries/>

Recent Changes to TSP

TSP participants may roll over money from their Roth TSP balance to a SIMPLE (Savings Incentive Match Plan) IRA or a SEP (Simplified Employee Pension plan).

Required Minimum Distribution (RMD)

- Beginning age for RMDs was increased from 72 to 73 on January 1, 2023. A further age increase will occur on January 1, 2033 from 73 to 75.
- Roth TSP balances are no longer subject to RMDs effective January 1, 2024.

For a partial listing of available publications on the TSP website, please see the Resources on page 4-8 of this module.

Notes:

TSP Matching Contributions**TSP****Roth and Traditional TSP**

Your decision about Roth and Traditional TSP is a choice of when you pay income tax on your TSP contributions and earnings. You can pay taxes either when you earn and contribute the money or when you take it out. There is not a set formula to determine which choice is best for everyone, and your decision may change as your income and needs change over time. You will need to direct your contributions to one of these two options: Roth or Traditional TSP.

Note: You cannot convert money from the Traditional TSP to the Roth TSP.

Note: You can roll over money to your TSP account from Traditional IRAs, SIMPLE IRAs and eligible employer savings plans.

Percent of Basic Pay Contributed to Your Account per Pay Period			
If you contribute:	Your agency automatically contributes:	Your agency matches your contributions by:	Total contributions to your account:
0%	1%	0%	1%
1%	1%	1%	3%
2%	1%	2%	5%
3%	1%	3%	7%
4%	1%	3.5%	8.5%
5%	1%	4%	10%
6% or more	1%	4%	11% or more

If you are a FERS employee who was hired or rejoined Federal Service on or after October 1, 2020, your agency automatically enrolled you in TSP and 5% of your basic salary is deducted from every paycheck and deposited in TSP, unless you made an election to shop or change this.

The annual elective deferral limit applies to the combined total of Traditional and Roth contributions. For 2024, the deferral limit is \$23,000. If you are not maxing out your contributions to this limit, consider increasing your contributions when you receive a pay increase. If you are turning 50 or older and exceed the IRS elective deferral limit, then your contributions will automatically start counting toward the IRS catch-up limit. For 2024, this limit is \$7,500.

Beginning in January 2025, participants between age 60 and 63 who are eligible for catch-up contributions will have a higher catch-up limit than those younger or older. This limit will increase to the greater of either \$10,000 (indexed to inflation) or 150% of the regular catch-up limit.

In 2026, catch-up contributions must be Roth contributions if your wages are above a certain threshold. The IRS wage threshold will be adjusted for inflation and announced each year.

Notes:

Investment Options

TSP

You can choose your own mix of investments from a short-term U.S. Treasury Security to index funds made of domestic and international stocks. Or, if you prefer, choose one of the Lifecycle (L) Funds that uses a professionally determined investment mix designed to deliver a balanced approach to investing based on when you will need your money.

Rates as of 11/2023	Inception Date	Since Inception	1 Year	3 Year	5 Year	10 Year
G Fund	4/1/87	4.66%	4.16%	2.75%	2.32%	2.30%
F Fund	1/29/88	5.27%	1.13%	-4.33%	0.79%	1.59%
C Fund	1/29/88	10.69%	13.79%	9.73%	12.47%	11.82%
S Fund	5/1/01	8.57%	6.01%	0.29%	7.23%	7.87%
I Fund	5/1/01	4.82%	10.25%	4.08%	6.32%	4.23%
L Income	8/1/05	4.15%	6.03%	3.51%	4.15%	3.87%
L 2025	7/1/20	6.53%	6.87%	4.39%		
L 2030	8/1/05	6.55%	8.67%	4.96%	7.01%	6.56%
L 2035	7/1/20	8.05%	9.06%	5.09%		
L 2040	8/1/05	7.07%	9.46%	5.24%	7.78%	7.23%
L 2045	7/1/2020	8.87%	9.78%	5.33%		
L 2050	1/31/11	8.70%	10.12%	5.48%	8.40%	7.78%
L 2055	7/1/20	11.07%	11.51%	6.46%		
L 2060	7/1/20	11.07%	11.51%	6.46%		
L 2065	7/1/20	11.07%	11.51%	6.46%		

G Fund	F Fund	C Fund	S Fund	I Fund
Government Securities Investment Fund	Fixed Income Index Investment Fund	Common Stock Index Investment Fund	Small Cap Stock Index Investment Fund	International Stock Index Investment Fund
Ensure preservation of capital and generate returns above those of short-term U.S. Treasury securities.	Match the performance of the Bloomberg U.S. Aggregate Bond Index.	Match the performance of the Standard and Poor's 500 (S&P 500) Index.	Match the performance of the Dow Jones U.S. Completion Total Stock Market Index.	Match the performance of the MSCI EAFE (Europe, Australasia, Far East) Index.
Low Risk	Low Medium Risk	Medium Risk	Medium High Risk	High Risk

Mutual Fund Window**TSP**

The mutual fund window is an option designed for TSP participants who are interested in greater investment flexibility. If you meet certain eligibility requirements and pay the necessary fees, you can choose to invest a portion of your TSP savings in your choice of available mutual funds.

With this option, you can transfer money from your TSP account, through the mutual fund window, and open a separate investment account provided by the mutual fund window vendor. Once your account is established, you can buy, sell, and exchange mutual funds that you select from those available. As with all complex investment decisions, you may want to consult a qualified financial advisor.

See the TSP Mutual Fund Window Fact Sheet: <https://www.tsp.gov/publications/tspfs28.pdf>

Fees charged:

- \$55 annual administrative fee to ensure that use of the mutual fund window does not indirectly increase TSP administrative expenses for TSP participants who choose not to use the mutual fund window
- \$95 annual maintenance fee
- \$28.75 per-trade fee
- Other fees and expenses specific to the mutual funds you choose, which you can review in each fund's prospectus

Mutual funds available through a brokerage account are not vetted by a plan fiduciary to determine whether they are wise investments. Carefully review the prospectus for each mutual fund you consider. If you choose the mutual fund window option, the first risk to consider is whether your investments in mutual funds will grow enough to offset the additional fees. You should also keep in mind that any or all of the risks that apply to TSP funds may also apply to your chosen mutual funds, including the following:

- Credit risk that a borrower could default on a scheduled payment of principal and/or interest. This risk is present in the TSP F Fund and any mutual fund that includes bonds.
- Currency risk is understanding that the value of a currency will rise or fall relative to the value of other currencies. Currency risk occurs with investments in the TSP I Fund or any mutual fund that invests in non-U.S. companies because of fluctuations in the value of the U.S. dollar in relation to the currencies of other countries.
- Inflation risk is present in all funds and occurs when investments will not grow enough to offset the effects of rising costs.
- Market risk—The risk of a decline in the market value of stocks or bonds. This risk is present in any fund that holds stocks or bonds, including the TSP F, C, S, and I Funds.
- Prepayment risk—A risk associated with any fund that invests in mortgage-backed securities. This includes the TSP F Fund. During periods of declining interest rates, homeowners may refinance their high-rate mortgages and prepay the principal. A fund that holds mortgage-backed securities must reinvest the cash from these prepayments in current bonds with lower interest rates, which lowers the return of the fund.

Loans and In-Service Withdrawals

TSP

Active TSP participants who are currently employed are allowed to borrow money from their TSP account. Loans are repaid through payroll deductions and are charged interest (based on the G Fund interest rate for the month before you request the loan and stays the same for the life of the loan). You cannot take a new loan after you separate from service.

- **How to apply:** Log in to *My Account* to begin the request or contact the ThriftLine
- **Considerations:** You will pay yourself interest; however, while your money is out on loan, you will be missing out on the compound earnings that money could have otherwise accrued.

General Purpose Loan	Primary Residence
May be used for any purpose	May only be used for future purchase or construction of a primary residence and only for costs still needed to close
No documentation	Requires documentation
Repayment term of 12 - 60 months	Repayment term of 61 - 180 months
\$50 processing fee	\$100 processing fee

If you have an outstanding loan when you separate from service, you have three options:

- Keep the loan active by setting up monthly payments by check, money order, or direct debit. The terms of the loan do not change when you separate, and the maximum time limit for paying off your loan still applies.
- Pay the loan off.
- Allow the loan to be foreclosed and accept any taxable portion of the outstanding balance and accrued interest as taxable income.

In-service withdrawal

There are two types of TSP withdrawals for active Federal civilian workers and members of the uniformed services: financial hardship and age 59 ½.

- Financial hardship withdrawal must be due to at least one of the following reasons: recurring negative monthly cash flow; medical expenses and personal casualty losses you have not paid and not covered by insurance; legal expenses you have not paid for separation or divorce from your spouse; and losses due to a major disaster declared by the Federal Emergency Management Agency. You may only withdraw your own contributions and earnings that have accrued.
- Age 59 ½ in-service withdrawals are withdrawals that you can make from your TSP account when you are age 59½ or older. You must pay 20% Federal income tax on the taxable portion of the withdrawal unless you are able to roll it over to an IRA or an eligible employer plan. You may only take up to four age 59 ½ withdrawals per calendar year. You may only withdraw funds in which you are vested and must withdraw at least \$1,000 or your entire vested account balance (even if less than \$1,000).

Distributions and Taxes**TSP**

SECURE 2.0 increases the start age for required minimum distributions from **72 to 73 in 2023** and then further increases the start age to **75 in 2033**. Check the TSP website for updates as details are finalized.

Considerations for taking TSP distributions:

- If you need a portion of your TSP savings right away, but want to leave the rest to continue growing, consider taking just a portion of your account (minimum amount is \$1,000; processing times limited to one distribution every 30 days).
- To avoid paying taxes on the taxable money in your TSP account for as long as possible, delay until the IRS requires you to do so. By law, you are required to take required minimum distributions (RMDs) after age 70, the exact RMD age varies based on your date of birth and recent changes in the law. At that time, you will have to pay taxes at your ordinary income tax rate on any taxable income you receive from your TSP account.
- If you decide that you want regular income from your TSP account every month, every quarter (three months), or once a year, set up installments. You have a couple options:
 - Request a specific dollar amount as an installment payment at a specific time frequency of your choice until your entire account balance has been paid or until you change or stop payments. The installment amount must be at least \$25.
 - Select payments based on your life expectancy when you make your request. Your initial installment will be based on your age and your account balance at the time of the first payment. Each year thereafter, the amount of your installments will be recalculated based on your age and your account balance at the end of the preceding year.
- Be aware that neither the specified dollar amount nor the TSP-computed payment option is guaranteed to last your entire lifetime.
- If you want a guaranteed stream of monthly income, consider purchasing a life annuity, which is a monthly benefit paid to you every month for the rest of your life. This process is sometimes complicated. See the fact sheet: *Annuities*: <https://www.tsp.gov/publications/tspfs24.pdf> for information on purchasing an annuity.

To request a TSP distribution, log in to *My Account* to begin the request or contact the ThriftLine.

- 1-877-968-3778 (toll-free)
- Business Hours: Monday - Friday from 7:00 AM to 9:00 PM ET
- International: (404) 233-4400 (not toll-free)
- 711 TTS Relay: Persons with a hearing or speech disability may utilize the free Telecommunications Relay Service (TRS) by dialing 711 from any telephone.

See links for TSP booklets on *Distributions* and *Tax Rules about TSP Payments* on page 4-8, along with Online Learning Opportunities about TSP, more publications and fact sheets.

Notes:

RESOURCES

TSP

Title	Description	Web Link*
Online Learning Opportunities		
TSP Online Learning	Free Webinars about Your TSP	https://www.tsp.gov/online-learning/
Publications		
Loans	General Purpose and Residence	https://www.tsp.gov/publications/tspbk04.pdf
In-Service Withdrawals	Financial Hardship and Age 59 ½	https://www.tsp.gov/publications/tspbk12.pdf
Summary of Thrift Savings Plan		https://www.tsp.gov/publications/tspbk08.pdf
Distributions	TSP Installment Payments and Other Withdrawal Options after you leave service	https://www.tsp.gov/publications/tspbk25.pdf
Tax Rules about TSP Payments	RMDs and Tax Requirements	https://www.tsp.gov/publications/tspbk26.pdf
Death Benefits	Information for Participants and Beneficiaries	https://www.tsp.gov/publications/tspbk31.pdf
Your TSP Account: A Guide for Beneficiary Participants	TSP Options available to Spousal Beneficiaries	https://www.tsp.gov/publications/tspbk33.pdf
Fact Sheets		
Rollovers from TSP	To Eligible Retirement Plans	https://www.tsp.gov/publications/tspfs05.pdf
TSP Benefits	For Military Members who return to Federal Civilian Service	https://www.tsp.gov/publications/tspfs08.pdf
Contributions Toward the Catch-up Limit	For Participants Who are Age 50 or Older	https://www.tsp.gov/publications/tspfs12.pdf
The Thrift Savings Plan and IRAs		https://www.tsp.gov/publications/tspfs22.pdf
Annuities	Information on Purchasing an Annuity	https://www.tsp.gov/publications/tspfs24.pdf
TSP Fund Information Sheets		https://www.tsp.gov/publications/tspfl14.pdf
TSP Mutual Fund Window	Description of Mutual Fund Window, Eligibility, Associated Fees, and Risks	https://www.tsp.gov/publications/tspfs28.pdf
TSP Court Order Center Home	Help with Retirement Benefits and Child Support Court Orders	https://qoc.rk.tsp.gov/qoc/b/CsHome010Home.htm
FAQs for Court Orders		https://qoc.rk.tsp.gov/qoc/b/QdroFaq010Faq.htm

*Links active as of February 2024, also available at TSP.GOV