

FERS RETIREMENT

Agenda

- FERS overview
- Military Service Deposits
 - Title 10 Military Service
 - USERRA
- Types of Retirement
 - Eligibility requirements
 - Annuity computation
- Interim Pay
- FERS Annuity Supplement
- Survivor Elections
- Death Benefits
- FEHB / FEGLI
- Requesting a Retirement Estimate

Retirement Planning Links

- Federal Ballpark E\$timate:

<https://www.opm.gov/retire/tools/calculators/ballpark/BallparkIntro.asp>

- Retirement information & services provided by OPM:

<https://www.servicesonline.opm.gov/>

- U.S. Financial Literacy Education Commission website:

<http://www.mymoney.gov>

- Army Benefits Center–Civilian GRB Platform:

<https://www.abc.army.mil>

FERS

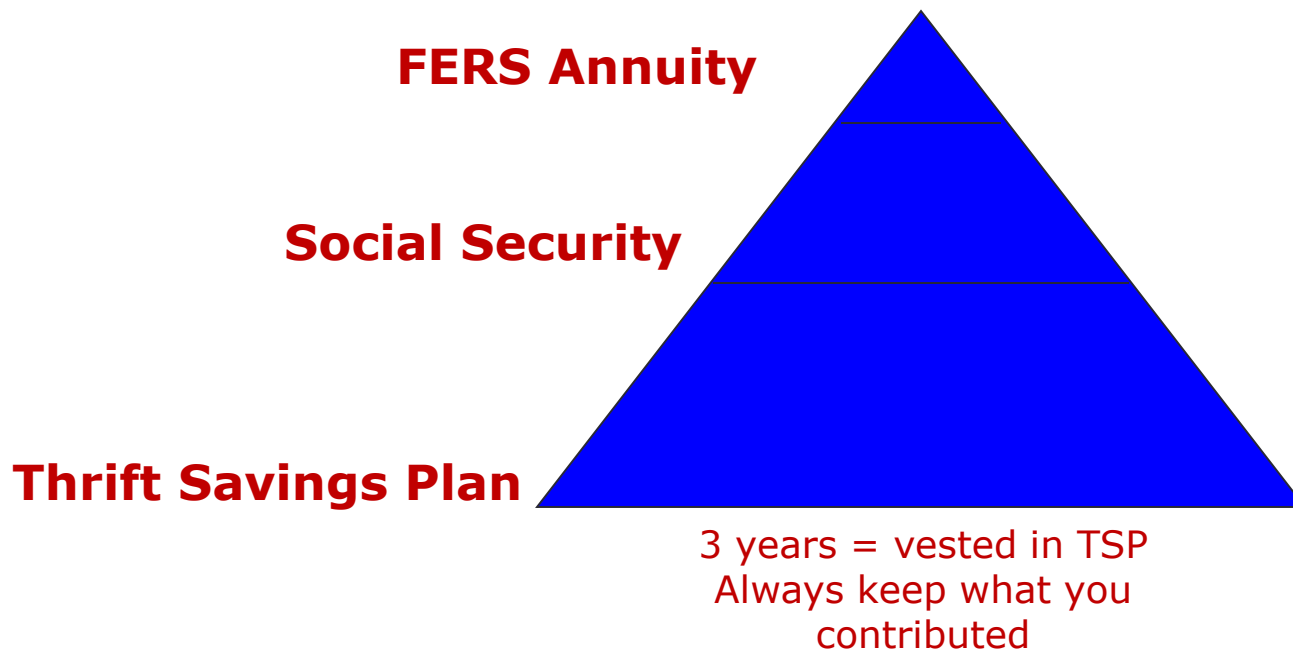
- New employees first hired in covered position on 01-01-1987 and prior to 01-01-2013. Contribute 0.8% of salary to FERS
- FERS-Revised Annuity Employees (FERS-RAE) New employees first hired in covered position on 01-01-2013 and prior to 01-01-2014. Contribute 3.1% of salary to FERS
- FERS-Further Revised Annuity Employees (FERS-FRAE) New employees first hired in covered position on/after 01-01-2014. Contribute 4.4% of salary to FERS

TSP

- You may contribute up to the IRS limit (\$19,500 for 2020) to TSP
- Receive agency matching of 5% if you contribute at least 5% of your salary
 - First 3% of your contributions are matched dollar-for-dollar
 - Next 2% are matched at 50 cents on the dollar
- Automatic Agency 1% contribution regardless of your TSP contribution rate

FERS Retirement

- *FERS is a 3-tiered retirement system
- *FERS annuity is the smallest component
- *TSP WILL make up the largest portion of your total retirement



Retirement Service Computation Date (RSCD)

- Used to determine retirement eligibility and to calculate retirement annuity
- May not be the same as your Leave SCD (SCD that appears on your SF 50 & LES)
- Not all service that is creditable for leave is creditable for retirement

RSCD

Examples of service that is creditable for leave but not for retirement:

- Non-Appropriated Fund (NAF) service on a temporary appointment
- For retired military, campaign or combat service if retired military pay is not being waived
- Military service for which a deposit has not been paid
- Non Deduction Service performed on/after 01-01-89 (FICA)

Non-Deduction Service

- Non-Deduction service (FICA) after 01-01-1989 is not eligible for deposit, no credit for eligibility or computation
- Non-Deduction service (FICA) prior to 01-01-1989 is not creditable for eligibility or annuity computation until a deposit is made
 - Deposit is made directly to OPM

Military Deposit

- Title 10 Service –called to service by the President (Active Duty or Reserve Time)
- Title 32 Service –service under the State (Service Schools, NCO and Officer Courses usually fall under Title 32). Not creditable unless it interrupts federal civil service (USERRA)
- Must be Honorable
 - DD 214 with character of service
 - Mil Orders **MUST** be accompanied by statement of service which reflects character of service and time lost

Military Deposit

Military Service on/after 01-01-1957



Must pay to receive credit for eligibility
(RSCD) & annuity computation

Amount of Deposit:

3% of basic pay earned + interest (2 years interest free)
(interest will vary)

USERRA

USERRA Creditable Military Service is

Title 10/Title 32 Service that Interrupts Civilian Service on
or after August 1, 1990

You must only pay for the time that you were not paying
into the retirement system (non-pay status and not using
any type of paid leave) AND while receiving military pay

NOTE IMPORTANT DATE: 1 August 1990 if service interrupted civilian service and spanned this date
under LWOP, then it falls under USERRA. Service that ends before this date is not .USERRA

USERRA

Amount of the Deposit

Lesser amount of the two:

3% of basic pay earned + interest (2 years interest free)

OR

What your FERS contributions would have been for the civilian service if you had not entered into the military + interest (2 years interest free)

*Interest varies

Paying Your Military Deposit

- Work with your HR Representative to begin the process of completing your Military Service Deposit
- The Process takes a minimum of 60-90 days and longer depending upon how you elect to pay the deposit

Don't Wait Until your final months of service!!!

Deposit cannot be paid after separation

Per BAL 13-103

Sample Paid in Full Letter



DEFENSE FINANCE AND ACCOUNTING SERVICE

Indianapolis
8899 E. 56TH ST
INDIANAPOLIS INDIANA 46249-6200

[REDACTED]
[REDACTED]
[REDACTED]

10/19/2015

MEMORANDUM FOR [REDACTED]

SUBJECT: Notice of Military Service Deposit Payment Completion

Employee Identification Number: [REDACTED]

Service Period(s): 05/29/2007 - 06/24/2007, 10/01/2008 - 12/28/2008, 04/12/2010 - 12/02/2010 0 Years, 11 Months, 15 Days

Your payment for military service deposit has been received and processed by our office. Our records indicate that your deposit was paid in full on 10/7/2015 . Please submit a copy of this letter to your Human Resources Office for filing into your Official Personnel File (OPF).

If additional assistance is needed, please contact our Customer Service desk at 800-729-3277 or FAX 866-401-5849 or mail your correspondence to:

Types of Retirements

- Optional Retirement
- Voluntary Early Retirement Authority (VERA)
- Discontinued Service Retirement (DSR)
 - Military Reserve Technician (MRT)
- Deferred Retirement
- Disability Retirement
 - Public Law 97-253 (National Guard dual-status disability retirement)

General Eligibility

- Have at least 5 years of ***creditable civilian*** service with the Federal government
- Meet Minimum Retirement Age (MRA)
- Must separate from a position subject to FERS Coverage

Minimum Retirement Age

Year of Birth	MRA is Age
Before 1948	55
1948	55 & 2 Months
1949	55 & 4 Months
1950	55 & 6 Months
1951	55 & 8 Months
1952	55 & 10 Months
1953 - 1964	56
1965	56 & 2 Months
1966	56 & 4 Months
1967	56 & 6 Months
1968	56 & 8 Months
1969	56 & 10 Months
1970 & After	57

Optional Retirement

Also referred to as a Voluntary Retirement

- Minimum Retirement Age (MRA) with 30 years service
- 60 years of age with 20 years service
- 62 years of age with 5 years service
- MRA with at least 10 years but less than 30 years service:
 - 5% reduction for each year under age 62 (permanent reduction)
 - NOT entitled to an annuity ***supplement***

Annuity accrues on the first day of the following month of your retirement

MRA + 10

Postponing Retirement Benefits

- You can reduce or eliminate the 5% age reduction by postponing the commencing date of your MRA+10
- FEHB and FEGLI coverage may be reinstated prospectively if at time of separation you were eligible to continue coverage into retirement
- Sick leave is creditable in the computation of the annuity
- Must elect to have annuity commence on any day after the first day of any month following separation up to and including the second day before turning age 62

Discontinued Service Retirement DSR

- Must meet age and service requirements
- Must receive a specific written notice of a proposed involuntary separation from your Agency/Installation
- No age reduction under FERS for early retirement
- Annuity starts day after separation
- You will receive an annuity supplement if:
 - You retire at or after your MRA
 - If not, you will receive it once you reach your MRA
- Not eligible for VSIP or severance pay

MRT Provisions (Title 32 Dual Status)

- Unique to FERS
- Involuntary separation based upon loss of military membership (not for cause)
- Eligible for annuity supplement immediately, and supplement not subject to the earnings test until they reach their MRA
- Ineligible for a PL 97-253 Disability Retirement if eligible for MRT (May apply for regular FERS disability retirement)

	DSR	Special Early Retirement for National Guard Technicians	Special Disability Retirement for National Guard Technicians
FERS Annuity Suppl.	Starts at MRA	Starts immediately	No FERS annuity supplement
Cause of separation	Involuntary loss of military membership	Involuntary loss of military membership	Involuntary loss of military membership for medical reasons
Age and service require- ments	For any hire date: <ul style="list-style-type: none"> – age 50 with 20 years creditable service – any age with 25 years creditable service 	If hired <u>before</u> 02/10/96: <ul style="list-style-type: none"> – age 50 with 25 years creditable service If hired <u>on/after</u> 02/10/96: <ul style="list-style-type: none"> – age 50 with 20 years creditable military technician service – any age with 25 years creditable military technician service 	No age requirement Under CSRS or CSRS Offset <ul style="list-style-type: none"> – 5 years creditable service Under FERS <ul style="list-style-type: none"> – 18 months creditable service

Deferred Retirement

Leaving Federal service before eligible for immediate annuity

- Receive a deferred annuity at age 62 with at least 5 years service or at MRA with at least 10 years of service (5% age reduction) IF:
 - You are not eligible for an immediate annuity within 1 month of separation
 - You meet the minimum 5 years of creditable civilian service requirement at the time of separation (Vested)
 - You do not take a refund of your retirement deductions after separating from Federal service
- FEHB and FEGLI will NOT be reinstated at the time your annuity commences. Application is sent directly to OPM

NOTE:FERS annuity *supplement* is **NOT** payable

Disability Retirement

- Disability –Unable to render useful and efficient service because of disease or injury
- Must be in a position covered by FERS
 - Minimum of 18 months creditable civilian service
 - Disability annuity IS subject to Federal tax
- Public Law 97-253 is the special provisions for Title 32 Dual Status

Public Law 97-253

Special Disability Retirement Provision

- NG technician may be eligible if:
 - Involuntarily separated due to medical disqualification
 - OPM determines it does not meet criteria for “regular” disability
 - Not appointed to another Federal position
 - Not declined a reasonable job offer
 - Not eligible for a Military Reserve Technician (MRT) retirement

Disability Annuity Computation

- If under age 62 at separation:
 - First 12 Months:
 - $60\% \times \text{high 3 salary} - 100\%$ of Social Security Benefits
 - After 12 Months:
 - $40\% \times \text{high 3 salary} - 60\%$ of Social Security Benefits
- Disability annuity is recomputed at age 62 to an amount that represents the annuity you would have received if you had continued working until the day before your 62nd birthday and then retired under non-disability provisions

Annuity Computation

Formula for Computing Annuity for Voluntary Retirement:

- High-3 avg salary X 1.0% X years and months of service
- High-3 avg salary X 1.1% X years and months of service,
IF you are age 62 with 20+ years of service

High-3 Average Salary

- Weighted average of highest 3 years of basic pay (including locality pay / local market supplement)
- Must be 3 consecutive years
- Is usually the last 3 years
- Is the highest salary, not the highest grade
- Normally, the beginning date of the 3 year period is determined by subtracting 3 years from the date of retirement

Interim Pay

- Begins while OPM processes retirement application
- Represents a portion of your final annuity benefit
- Health benefits and life insurance benefits coverage continues
- Interim pay does not include annuity supplement payments
 - This will be included in your finalized case payment

FERS Annuity Supplement

- An estimated amount of Social Security benefits earned during **FERS service**
- Benefits paid until age 62 to certain FERS employee who retire before age 62 and are entitled to an immediate annuity
 - Duration of annuity supplement:
 - Payable through the earlier of the following dates:
 - Last day of the month you become age 62 or;
 - Last day of the month before the first month you are entitled to Social Security benefits

FERS Annuity Supplement

Eligibility:

- Has at least 1 calendar year of FERS service AND
- Retires with an immediate annuity
- At or after MRA under VERA / DSR
- Under Special Provisions (i.e. MRT, FF, LEO, ATC)

Not eligible:

- Disability retiree
- MRA+10
- Deferred
- Retiring at age 62 or older
- CSRS

FERS Annuity Supplement

- Supplement is tested for earning above the Social Security exempt amount (\$18,240 for 2020)
- Earnings include wages and self-employment income
- Income from severance pay (including VSIP), pensions, savings and investments are NOT subject to the earnings test
- Annuity supplement will be offset by \$1 for every \$2 over this amount

Unused Sick Leave

- Must retire on an immediate annuity or postponed annuity
- Added to length of service for computation purposes only
- Additional time computes on the basis of a 2087 hour work year
- May increase survivor annuity
- For individuals who have transferred to FERS with a CSRS component, only the sick leave not included in the CSRS part of the calculation will be available under FERS.

Survivor Elections

- Reduced annuity with maximum survivor benefit
 - Annuity reduced by 10%, spouse's annuity upon your death will be 50% of your unreduced annuity
- Reduced annuity with partial survivor benefit
 - Annuity reduced by 5%, spouse's annuity upon your death will be 25% of you unreduced annuity
- Reduced annuity to provide survivor benefit to a former spouse or someone with insurable interest

Survivor Benefit Payments

- The survivor benefit is payable for life unless the survivor remarries before the age of 55
- Benefits will be restored if the remarriage terminated in death, annulment or divorce

Death-In-Service

- If you die while still an active employee, your survivor MAY be entitled to death benefits
- In the event of your death, your supervisor needs to contact your servicing Human Resource (HR) Representative or Human Resource Officer (HRO)
- HR will contact ABC-C
- An ABC-C specialist will contact the survivor within 24 hours of receiving the notification

Death Benefits

Spousal Benefits

Monthly annuity (survivor benefits) payable if married to the employee for at least 9 months and had at least 10 years of creditable civilian service

Exceptions to the 9 months of marriage requirement:

- Spouse is the parent of a child of the marriage, or
- Death was accidental

Death Benefits

Children's Benefits

Children's Benefits are payable if:

- The child is unmarried AND under age 18, or
- Under age 22 if full-time student, or
- Any age if disabled before age 18

Children's Benefits are the same if death-in-service or death as an annuitant

COLA

Cost of Living Adjustments

- Annual rate based upon rise in Consumer Price Index (CPI)
- Effective 1 Dec each year
- Payable in Jan (1/12th of COLA for each month)
- Must be 62 or older to receive
- Disability annuitants and survivors receive COLA at any age
- The COLA for 2019 was 2%

FEHB

Continuation into Retirement

- Retire on an immediate annuity
- Be insured on the date of retirement
- Be covered for the 5 years of service prior to retirement or since your FIRST opportunity to enroll (special rules for VERA and DSR, see next slide)
- Coverage as a family member under FEHB or TRICARE counts toward the 5 year requirement (employee must be enrolled in FEHB prior to retirement)

FEHB

- Cost of FEHB is the same for retirees and active employees except that premiums are paid on a monthly vs bi-weekly basis
- Open Season and qualifying life event (QLE) opportunities
- Same FEHB plans available
- Once you *cancel* FEHB in retirement, you can never re-enroll
- Retirement is not a QLE for changing your FEHB enrollment
- At age 65, enrollment in Medicare is optional, however, if enrolled in Medicare it becomes your primary and FEHB becomes secondary

FEHB

- Retirees can suspend FEHB for TRICARE, Medicaid (or similar state sponsored program) or Medicare Advantage (Medicare Part C) and return to FEHB coverage during Open Season or immediately upon involuntarily losing non-FEHB coverage
- Retirees DO NOT participate in Premium Conversion
- Your spouse is eligible to continue FEHB coverage after your death **ONLY** if you have them covered and you elect to provide a survivor benefit at retirement

FEGLI

Continuation into Retirement

- Retire on an immediate annuity
- Insured on the date of retirement
- Enrolled in each Option and Multiple for the 5 years of service prior to retirement OR since your FIRST opportunity to enroll

FEGLI Options at Retirement

At Age 65

- Basic: 75% reduction, 50% reduction, No Reduction
- Option A: automatically begins reducing by 2% per month until it reaches \$2,500
- Option B: Full Reduction, No reduction (you can select for each multiple)
- Option C: Full Reduction, No reduction (you can select for each multiple)

Federal Employees Dental & Vision Insurance Program (FEDVIP)

- No 5 year enrollment requirement
- Can enroll during Open Season after you retire even if you were never enrolled
- Can enroll in dental, vision or both

Common Issues

- Military Deposits not paid or incorrect
- DD 214s in eOPF that do not characterize the service
- Paid In Full Letters not in eOPF

Retirement Estimate

- Request your retirement estimate no more than 5 years prior to your retirement eligibility date
- ABC-C will compute one retirement estimate every 3 years
- Retirement estimates include:
 - Verification of military service & civilian service documented in your Electronic Official Personnel Folder (eOPF)
 - Calculation of amount of civilian deposit and/or redeposit
 - Impact of unpaid civilian deposit/redeposit & military deposit on your retirement annuity
 - Confirmation of your current FEHB & FEGLI enrollment & your eligibility to continue these into retirement

How to Request an Estimate

- Request an estimate through the GRB Platform
 - Login at www.abc.army.mil
 - Select the GRB Button
 - Once logged in select the Menu button at the top center of the page
 - Click Requests
 - Click the red Submit a New Request link
 - In the drop down, choose Retirement Estimate and click Next
 - Answer the questions to tailor the estimate

Select the dropdown menu

https://www.platform.army.mil/Account/SecurityNotice?License=1120

GRB Platform : 1.2.117.12 - DEPARTMENT OF THE ARMY: Default - Internet Explorer

GRB Platform

MENU ▼

TOTAL COMPENSATION STATEMENT

Army Benefits Center - Civilian






Health Insurance




Life Insurance




Thrift Savings Plan



Retirement



Dental & Vision Insurance



Long Term Care Insurance



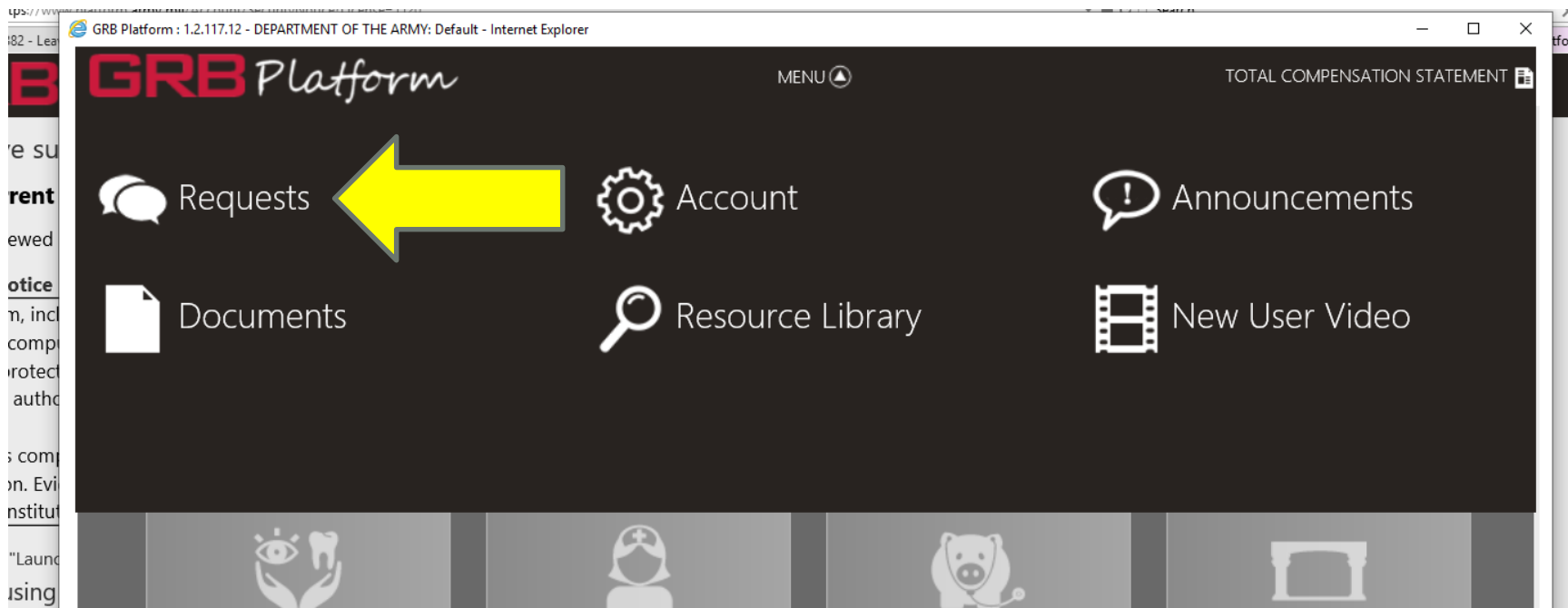
Flexible Spending Accounts



Social Security

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GRB Platform

MENU

TOTAL COMPENSATION STATEMENT

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Requests

Below is a list of your requests. Click on an item in the list to view the original request as well as the response, including any attachments. To create a new request click on the Submit a New Request icon.

Submit a New Request

Request Date/Time	Case ID	Type	Status
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View Request

Response

Attachments

Name	Type	Description
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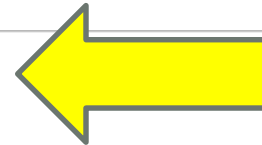
Close

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Submit a New Request

Select the type of request you would like to submit:



Select Retirement Estimate

Next

Cancel

Submit a New Request: Retirement Estimate

Select the type of request you would like to submit: **Retirement Estimate** ▼

Estimate requests will only be accepted if you are within five (5) years of being eligible for retirement AND your requested date of retirement is WITHIN the next five (5) years. If you have any questions about this, you can speak to a Benefits Specialist by calling DSN: 520-2222, commercial: (785) 240-ABCC (2222), or toll free: (877) 276-9287.

From the list below select the type of retirement estimate you would like and the date(s) requested:

- ☒ ? Voluntary/Optional Retirement - Date of Retirement:
- ☐ ? Early Retirement - Date of Retirement: Closing Date of Early-Out Period:
- ☐ ? Discontinued Service Retirement - Date of Retirement:
- ☐ ? Deferred Retirement - Date of Separation: Annuity Commencement Date:
- ☐ ? Postponed Retirement - Date of Separation: Annuity Commencement Date:
- ☐ ? Disability Retirement - Date of Retirement:
- ☐ ? Phased Retirement - Date of Phased Retirement: Date of full Retirement:

Next

Cancel

Submit a New Request: Retirement Estimate

From the list below check any/all of the various types of service that you have performed related to your federal career:

☐ Active Duty Military Service:

Have you completed making service credit payments for all periods of Military Service? ☐ Yes ☐ No ☐ Not Sure

Are you Retired Military? ☐ Yes ☐ No

☐ Temporary (Non-Deduction) Service:

Have you completed making service credit payments for all periods of Non-Deduction Service? ☐ Yes ☐ No ☐ Not Sure

☐ Service for which a Refund of Retirement Contributions were Received:

Have you completed making service credit payments for all periods of Refunded Service? ☐ Yes ☐ No ☐ Not Sure

☐ Peace Corps/VISTA Service:

Have you completed making service credit payments for all periods of Peace Corps/VISTA Service? ☐ Yes ☐ No ☐ Not Sure

☐ Part-time Service

☐ Intermittent/When-Actually-Employed
(WAE) Service

☐ Non-Appropriated Fund (NAF) Service

☐ Congressional Service

☐ Service as a Reemployed Annuitant

☐ Service with the DC Government

☐ Special Group Service (Law Enforcement Officer, Firefighter, Air Traffic Controller,
Nuclear Materials Courier, or Customs and Border Protection Officer)

☐ Service with a Retirement Coverage Error subject to the Federal Erroneous
Retirement Coverage Corrections Act (FERCCA)

☐ Service under Public Law 93-638

☐ Receipt of OWCP Benefits

Next

Cancel

Submit a New Request: Retirement Estimate

- ❓ If eligible, indicate if you intend to continue Health Insurance into retirement? ☐ Yes ☐ No ☐ Unsure
- ❓ If eligible, indicate if you intend to continue Life Insurance into retirement? ☐ Yes ☐ No ☐ Unsure
- ❓ If eligible, indicate if you intend to continue Dental Insurance into retirement? ☐ Yes ☐ No ☐ Unsure
- ❓ If eligible, indicate if you intend to continue Vision Insurance into retirement? ☐ Yes ☐ No ☐ Unsure

Select marital status: ☐ Married ☐ Single ☐ Divorced

❓ Select the survivor benefit you want to elect: ☐ Full ☐ One half ☐ None ☐ Unsure

In the event that a Specialist needs to contact you regarding this request, please enter the following contact information:

Daytime Phone Number: ☐ International

Please provide any additional information or special instructions that would be helpful in fulfilling this request:

Next

Cancel

Questions?