WAEPA GUIDE

Federal Retirement

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2023 Federal Retirement Guide

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Contents

The 2023 Federal Retirement Guide is presented by:

WAEPA®

The goal of WAEPA is to provide access to products and services that promote the health, welfare, and financial well-being of its members.

WAEPA – A Non-Profit association formed in 1943, governed by Federal Employees, just like you, to serve the Federal community.

Join WAEPA Today – Membership offers the opportunity to participate in Group Term Life Insurance programs and other services through the association.

Introduction

With Americans living longer lives, it has become increasingly critical to plan for the retirement years. And the earlier you start making plans, the more likely it is that you will be well prepared for your retirement. WAEPA's latest guide, the **2023 Federal Retirement Guide**, helps give you a firm foundation for planning a successful retirement. This unique guide covers retirement benefits, Federal Retirement Systems (FERS and CSRS), Thrift Savings Plan, Social Security, Survivor Benefits, Death Benefits, Medicare, WEP, and more.

Since 1943, over 100,000 Civilian Federal Employees and their dependents have been insured by Worldwide Assurance for Employees of Public Agencies (WAEPA). WAEPA is a non-profit association (not an insurance company). Today, more than 50,000 Federal Employees and their dependents currently belong to WAEPA.

Life insurance usually brings protection and peace of mind for Federal families – and we urge you to take a look at WAEPA's Group Term Life Insurance.

Just a few of the many reasons more than 50,000 current Federal Employees and their dependents choose WAEPA:

- More coverage options for you, the federal employee. WAEPA offers current and former Civilian Federal Employees up to $1.5 million in Group Term Life Insurance. Unlike FEGLI, this coverage is not limited by your salary
- More coverage options for your dependent spouse. WAEPA offers coverage from $10,000 up to $500,000
- WAEPA has instituted a premium refund policy, returning dividends to members when the performance of the plan allows. Since 1996, WAEPA has refunded over $100 million in premiums to their insured members
- WAEPA also offers more coverage for your dependent children. WAEPA offers up to $25,000 of coverage

We hope that you find this **2023 Federal Retirement Guide** helpful. If you have any questions about WAEPA's Group term Life Insurance coverage, please feel free to call us at 800-368-3484 or visit our website at **waepa.org**.

The WAEPA Staff

Planning for Your Retirement

Planning for Retirement in Five Years

You should begin planning several years before you think you may retire so that you will know what is required to continue certain benefits into retirement. There are many factors related to retirement planning, and it is never too early to begin. The federal annuity is only one element to consider in today's complex financial scene. You may need to start a Thrift Savings Plan or IRA schedule many years before considering actual retirement. Other considerations, such as Social Security may affect your benefits.

However, the best place to begin is with your local Human Resources Office (HRO) or Shared Service Center (SSC). They can provide personalized assistance and they have your employment records.

Your health and life insurance coverages are of immediate concern now because you must carry coverage continuously for at least five years immediately before your retirement or you may be ineligible to continue them.

What will your employer do to help you plan for retirement?

Your agency will guide you through the retirement process, supplying all of the information you need about retirement and insurance. They provide the information you need to plan for retirement, but should not advise you on what to do. You should review your Electronic Official Personnel Folder (eOPF) to ensure it contains all your federal civilian and military service. Contact your HRO or Shared Service Center if any service is missing. It may take several months to locate the necessary documents.

When should you begin planning for retirement?

The five-year period before retirement is important because you must have health and/or life insurance coverage for five years immediately before retirement to keep it after retirement.

You may also need some preliminary information to make decisions about when you can afford to retire and whether to make any necessary payments to receive credit for military or non-contributory civilian service or repay any retirement contribution refunds.

When can you keep your health insurance benefits after you retire?

You may continue your Federal Employees Health Benefits (FEHB) insurance coverage only if you meet the following conditions:

- Your annuity must begin within 30 days or, if you are retiring under the Minimum Retirement Age (MRA) plus 10 provisions of the Federal Employees Retirement System (FERS), health and life insurance coverages are suspended until your annuity begins, even if it is postponed
- You must be covered for health insurance when you retire
- You must have been continuously covered (in your name or as the self+one or family) by the Federal Employees Health Benefits Program, TRICARE, or the Civilian Health and Medical Program for Uniformed Services (CHAMPUS):
  - For five years immediately before retiring
  - During all of your federal employment since your first opportunity to enroll
  - Continuously for full periods of service beginning with the enrollment that started before January 1, 1965, and ending with the date on which you become an annuitant, whichever is shortest

If you are a **Federal** annuitant enrolled in the FEHB Program and if you decide to cancel your FEHB enrollment, you should be aware of the consequences of canceling your FEHB enrollment including the following but not limited to:

- You CANNOT re-enroll in the FEHB Program unless you were enrolled under another's FEHB coverage, i.e. spouses

Planning for Retirement in Five Years *(continued)*

- You and your enrolled family members will not be eligible to enroll in temporary continuation of coverage or convert to a nongroup contract; in addition, the 31-day extension of coverage does not apply to cancelled enrollments
- If you die, you will not have an FEHB Self and Family enrollment for your survivors to continue, even if they are eligible for a survivor annuity

Can the requirements for continuing health insurance coverage be waived?

OPM has the authority to waive the five-year participation requirement when it is against equity and good conscience not to allow an individual to participate in the health insurance program as a retiree. However, the law says that a person's failure to meet the five-year requirement must be due to exceptional circumstances. When someone is retiring voluntarily, a waiver may not be appropriate because they can continue working until the requirement is met. When circumstances under these conditions otherwise warrant a waiver, we will notify the individual's employer.

What are the requirements to keep life insurance in retirement?

You can keep your basic life insurance in retirement if all of the following conditions are met:

- You have coverage when you retire
- You have not converted coverage to an individual policy
- Your annuity begins within 30 days or, (However if you are retiring under the Minimum Retirement Age (MRA) plus 10 provision of the Federal Employees Retirement System (FERS) and you have postponed the commencing date of your annuity, health and life insurance coverage is suspended until your annuity begins)
- You were insured for life insurance for the five years immediately preceding retirement or the full periods of service when coverage was available
- You can keep your optional life insurance in retirement if all the following conditions are met:
  - You are eligible to continue your basic coverage
  - You were covered by the optional life insurance for the five years immediately preceding retirement or the full periods of service when coverage was available, if less than five years

Can the requirements for continuing life insurance be waived?

No. OPM has no authority to waive the requirements for continuing life insurance coverage. If you are not eligible to continue it, you will be given the chance to change it to an individual policy.

What should you do about your service?

You should review your Official Personnel Folder (OPF) to make sure that there is verification of all of your military and civilian service. If any of the records are missing, your employer should help you document the service and obtain any missing records.

If you have civilian service for which you must pay retirement contributions or repay a refund of contributions, your employer should tell you about what impact payment or non-payment has on your eligibility and the amount of your retirement benefit.

If you owe a payment to receive credit for military service you performed after 1956, you must make that payment before you retire. If you are receiving military retired pay, you should discuss whether or not you must waive the retired pay with the Retirement Specialist at your agency.

Your Retirement Specialist can also tell you about receiving credit in your annuity computation for various types of service and about the payments described above, as well as help you with service documentation.

Planning for Retirement in Five Years *(continued)*

What should you know about Social Security?

The Social Security Administration (SSA) provides information on your future benefits. You can create a ***my* Social Security** account online. You can ask for a form SSA-7004-PC, Request for Earnings and Benefit Estimate Statement, from your local Social Security Office or visit their web site at **ssa.gov**. If you submit this form, you will get a statement that provides information on your future eligibility for Social Security benefits and estimates of these benefits at specified dates. These estimates do not reflect any reduction for the **Government Pension Offset (GPO)** or the **Windfall Elimination Provision (WEP).**

Government Pension Offset

Some of an employee's spousal Social Security benefit may be offset if the employee has a government pension from work not covered by Social Security. The offset does not apply to the employee's own Social Security benefit, only the benefit that comes from a spouse's employment. If the Government Pension Offset applies, the spousal Social Security benefit will be reduced by two-thirds of any Federal pension based on employment not covered by Social Security.

Some employees are exempt from the GPO. They are employees who are automatically covered by the Federal Employees Retirement System (FERS), Civil Service Retirement System (CSRS) Offset, and those who elected to transfer to the FERS before January 1, 1988, or during the belated transfer period which ended June 30, 1988. Employees who were covered by the CSRS and who elected FERS coverage after June 30, 1988 must have five years of Federal employment covered by Social Security to be exempt from the offset.

Windfall Elimination Provision

If you receive a Federal pension and are also eligible for Social Security benefits based on your own employment record, a different formula may be used to compute your Social Security benefit. This formula will result in a lower benefit. The Windfall Elimination Provision affects workers who reach age 62 or become disabled after 1985 and are first eligible after 1985 for a Federal pension.

The Windfall Elimination Provision does not apply if:

- You were eligible to retire before January 1, 1986
- You were first employed by the government after December 31, 1983
- You have 30 or more years of substantial earnings under Social Security

Can you estimate the amount of the Windfall Elimination Provision reduction?

You can create a **my Social Security account online** or obtain form SSA-7004-PC, Request for Earnings and Benefit Estimate Statement, from your local Social Security office or visit their website, that will list your earnings from employment covered by Social Security and provide a Social Security benefit estimate assuming retirement at alternative ages, 62, 65, and 70.

You should contact your local Social Security office to determine the effect of the GPO and the WEP on your Social Security benefits. You can also use the **GPO calculator** or **WEP calculator.**

Planning for Retirement in One Year

What steps should you take when you get close to retiring?

When you get within one year of retirement eligibility, you should:

- Confirm when you will be eligible to get a retirement benefit
- Decide when you want to retire
- Get information about other benefits to which you may also be eligible, such as Thrift Savings Plan payment options and any other entitlements based on employment, for example: Foreign Service, Social Security, pensions from private industry, and Individual Retirement Accounts (IRA). You should have a fairly comprehensive picture of all sources of your retirement income and when each is payable
- Tell your supervisor about your proposed retirement date. You should give sufficient notice to allow for planning for someone to take your place
- Attend a pre-retirement counseling seminar
- Review your Official Personnel Folder (OPF) or its equivalent to make sure all your records are complete and accurate, all service is verified, and your insurance coverage is documented

What documentation should be in the Official Personnel Folder (OPF)?

- The beginning and ending dates for each period of employment which will be used for your benefit computation
- The effective dates for each promotion or within-grade increase during the period that will be used to compute your high-3 average salary
- The dates of pay changes or earnings and the pay rate, during employment periods when retirement deductions were not withheld from your salary
- The tour-of-duty during any part-time employment (if you worked more hours than the official tour-of-duty, document the hours actually worked)
- A record of days and/or hours actually worked during intermittent or “when-actually-employed” service
- Documentation of the dates of military service. If any service is not verified or any of the required documentation is missing, you should obtain assistance from your Human Resources Office (HRO) or Shared Service Center (SSC)

Other Records to Check

You should review your designation of beneficiary for the lump sum payment of retirement contributions when no one is eligible for monthly payments. This designation is made on a Standard Form 3102, Designation of Beneficiary. Make sure the form shows the person or people you want designated. If a copy is not available to review, you may wish to file a new designation.

If you transferred to FERS, any prior designation you made for CSRS coverage is canceled. You may wish to file a new designation. If you were automatically transferred to FERS coverage from CSRS, your designation will remain in force.

If there is no designation of beneficiary, benefits will be paid in the following order:

- Your widow or widower
- Your children in equal shares
- Your parents in equal shares
- Your appointed executor or administrator of your estate
- Your next of kin under the laws of the state you reside in when you die

Records Needed for Health Benefits

Your Official Personnel Folder should contain a record of all of your Health Benefits Election Forms, Standard Form 2809, or its electronic equivalent, and, if appropriate, Standard Form 2810, Notice of Change in Health Benefits Enrollment. Be sure that when you retire, your records will

Planning for Retirement in One Year *(continued)*

show a complete history of your health insurance enrollment for the last five years.

What records are needed for your life insurance?

Your Official Personnel Folder should contain a record of your current Federal life insurance coverage on a Standard Form 2817, "Life Insurance Election", and, if appropriate, your current life insurance, Standard Form 2823, Designation of Beneficiary.

If there is no designation of beneficiary, benefits will be paid in the following order:

- Your widow or widower
- Your children in equal shares
- Your parents in equal shares
- Your appointed executor or administrator of your estate
- Your next of kin under the laws of the state you reside in when you die

What can you do if you are eligible to continue your health benefits coverage but your retirement payment will not cover the cost of your premium?

You can pay your premiums directly to the Office of Personnel Management. In this case, OPM will tell you how to make these arrangements. You should not send any payments until they do.

How do you make a payment to receive retirement credit for your military service after 1956?

You may be able to receive retirement credit for active-duty military service after 1956 if you make a payment for that service. You must make the payment before you stop working for the government. You should ask your Human Resources Office (HRO) or Shared Service Center (SSC) for help in determining whether to make this payment. You can start the process by requesting your **Estimated Earnings During Military Service request form**, RI 20-97. They can provide personalized assistance because they have your employment records.

Credit for Time Worked

If you worked for a time when retirement deductions were not withheld from your pay, you may still get retirement credit for that time depending on when you worked and whether you are covered by the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS).

Check the circumstances below which best describes your situation and ask your HRO or SSC for assistance because they have your employment records.

Deposit for Service Ending before October 1, 1982 and Covered by CSRS:

You can make a deposit for creditable CSRS service you performed before October 1, 1982 during which retirement deductions were not withheld from your pay. If you do not, you will receive retirement credit for all of this service, but your annual benefit will be reduced by 10 percent of the deposit amount due (including interest) at retirement. Also, any annuity due your surviving spouse will be reduced proportionately.

For pre-October 1, 1982 CSRS service, interest is computed from the midpoint of each period of service. Interest accrues daily, is compounded

Credit for Time Worked *(continued)*

annually, and is charged at the rate of 3 percent through the date the deposit is paid or the date annuity begins, whichever is earlier. If full payment is received within 30 days after the bill is issued, no additional interest is charged. Otherwise, interest will be computed after each payment at the rate of 3 percent for the interval since the most recent payment you have made.

Deposit for Service Ending on/after October 1, 1982 and Covered by CSRS:

You can make a deposit for creditable CSRS service you performed on or after October 1, 1982 during which retirement deductions were not withheld from your pay. Unless you pay the deposit in full, you will not receive credit for the service in your annuity.

Interest is charged from the midpoint of the service period and accrues annually and is compounded annually on December 31 of each year, and is charged as follows:

- Three percent through December 31, 1984
- Beginning January 1, 1985, a variable rate determined annually by the Department of the Treasury. The variable interest rate for any year equals the overall average yield to the fund from retirement securities during the preceding fiscal year. No additional interest is charged for a year when payment in full is received by December 31 of the year. See the variable interest rates in the table below

Year	Percentage Rate	Year	Percentage Rate	Year	Percentage Rate
Before 1948	4%	1997	6.875%	2010	3.125%
1948 – 1984	3%	1998	6.75%	2011	2.75%
1985	13%	1999	5.75%	2012	2.25%
1986	11.125%	2000	5.875%	2013	1.625%
1987	9%	2001	6.375%	2014	1.625%
1988	8.375%	2002	5.5%	2015	2%
1989	9.125%	2003	5%	2016	2%
1990	8.75%	2004	3.875%	2017	1.875%
1991	8.625%	2005	4.375%	2018	2.125%
1992	8.125%	2006	4.125%	2019	2.75%
1993	7.125%	2007	4.875%	2020	2.25%
1994	6.25%	2008	4.75%	2021	1.375%
1995	7%	2009	3.875%	2022	1.375%
1996	6.875%	2010	3.125%	2023	1.875%

Credit for Time Worked *(continued)*

Deposit for Service Ending before January 1, 1989 and Covered by FERS:

You can make a deposit for creditable FERS service you performed before 1989 during which retirement deductions were not withheld from your pay. The deposit amount is, generally, 1.3% of salary plus interest. Interest is charged from the midpoint of periods of service and is compounded annually. Interest is charged to the date the deposit is paid in full or annuity begins, whichever is earlier. Interest is applied at the rates described in the table. If you do not pay for a period of this type of service, you will not receive credit in determining your eligibility to retire or in computing your retirement benefit.

Deposit for Service Performed on/after January 1, 1989 and Covered by FERS:

A deposit may be made for service performed on/after January 1, 1989 with the Peace Corps/VISTA, for service as a Child Care Worker at the U.S. Senate, service with the Library of Congress Child Development Center prior to December 21, 2000, service performed before December 31, 1990 with the Democratic or Republican Senatorial Campaign Committee or the Democratic or Republican National Congressional Committee, and for work that is creditable under the Foreign Service Pension System or except for service in the employ of a Federal Reserve Bank, the Foreign Reserve System Bank Plan provided that benefit is waived. A deposit is the payment of the retirement deductions, plus interest, that would have been withheld from your pay if you had been covered by the FERS.

Interest is charged from the midpoint of each period of service. Interest is charged at the following rates, compounded annually on December 31 of each year:

- Three percent through December 31, 1984
- Beginning January 1, 1985, a variable rate is determined annually by the Department of the Treasury. The variable interest rate for any year equals the overall average yield to the fund from retirement securities during the preceding fiscal year. No additional interest is charged for a year when payment in full is received by December 31 of the year. Interest is applied at the rates described in the table. If you do not pay for a period of this type of service, you will not receive credit in determining your eligibility to retire or in computing your retirement benefit

Refund of Retirement Deduction Withholding

If you received a refund of the retirement deductions that were withheld from your pay, whether you get retirement credit for that time depends on when you worked and whether you are covered by the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS).

Redeposit Service and Covered by FERS:

You can repay any refund you received for any period of civilian service during which retirement deductions were withheld from your pay and later returned to you before you were covered by the FERS. Interest is charged from the date of the refund and compounded annually, at the rates in the table on the previous page. Interest is charged to the date full payment is made or the date annuity begins, whichever is earlier. If you do not pay for a period of this type of service, you will receive credit in determining your eligibility to retire but will not receive credit in computing your retirement benefit.

Redeposit Service Ending before March 1, 1991 and Covered by CSRS:

You can repay the refund of retirement deductions you received for periods of civilian service ending before March 1, 1991 in order to gain credit for the service in your annuity. However, you will receive credit for all of this service whether or not you make the payment (unless you retire under the disability provisions of the law). But if you do not pay the refund

Credit for Time Worked *(continued)*

and interest, your annuity will be subject to permanent actuarial reduction based on the amount of redeposit, the interest due, and your age at retirement. The actuarial reduction does not affect the full annuity due your surviving spouse.

If you received the refund before October 1, 1982, interest is charged through the billing date. If OPM receives your payment within 30 days after the bill is issued, no additional interest will be charged. Otherwise, interest will be computed after each partial payment at the rate of 3 percent for the interval since the previous payment.

If the refund was paid on or after October 1, 1982, interest is compounded annually and charged through December 31 of the year before the year in which this bill is being issued. If full payment is received by December 31 of the year in which this bill is issued, no additional interest will be charged. If not, interest will be computed once each year as of December 31 based on the unpaid balance at that time. Interest is applied at the rates described in the table.

Redeposit Service Ending on/after March 1, 1991 and Covered by CSRS:

You can repay a refund of retirement deductions you received for periods of civilian service ending on or after March 1, 1991, but if you do not pay the redeposit in full, you will not receive credit for this service in the computation of your annuity. Consequently, your annuity, as well as any annuity due your surviving spouse, will be reduced. For refunds paid on or after October 1, 1982, interest is compounded annually and charged through December 31 of the year before the year in which this bill is being issued. If full payment is received by December 31 of the year in which this bill is issued, no additional interest will be charged. If not, interest will be computed once each year as of December 31 based on the unpaid balance at that time. Interest is applied at the rates described in the table. If you repay part of the refund, the money will be returned to you when you retire.

You should apply to make a payment by completing a Standard Form 2803 if you are covered by the Civil Service Retirement System (CSRS). You should use Standard Form 3108 if you are covered by the Federal Employees Retirement System (FERS).

If you are within six months of retirement, you should submit your request to make the deposit or redeposit at the same time you submit your application for retirement. You can use a form or letter to do this. OPM will notify you of any amounts due so you can decide whether or not to make the payment. OPM cannot, however, authorize your regular annuity payments until OPM has your decision about the payment.

Picking a Retirement Date

Check with your Human Resources Office (HRO) or Shared Service Center (SSC) to verify that you have enough service and meet the age requirements for retirement eligibility. They can provide personalized assistance because they have your employment records.

Your HRO or SSC will also talk with you about the date your annuity payments can start based on the date you pick.

Minimum Retirement Age (MRA) Plus 10 Annuity

Minimum Retirement Age (MRA) plus 10 annuity under the Federal Employees Retirement System (FERS) is a provision that allows you to retire with benefits beginning immediately if you have ten years of service and have reached the Minimum Retirement Age (at least 55). However, the annuity is reduced for each month you are under age 62. The reduction equals five percent per year (or 5/12 of one percent per month). To avoid the reduction, you can postpone payment. You can later apply for the benefit by writing to OPM or filing an “Application for Deferred or Postponed Retirement,” Form RI 92-19. You should submit the form two months before you want the benefit to begin.

Credit for Time Worked *(continued)*

Postponing the Minimum Retirement Age (MRA) Plus 10 Annuity

The benefit is not reduced if it begins after your 60th birthday and you have at least 20 years of service or you reach the Minimum Retirement Age and have 30 years of service. Delay of the benefit can be used to avoid all or part of the reduction for retirement before age 62 that would otherwise have been applied.

Your life insurance enrollment will stop until the annuity begins. Once the annuity begins, the life insurance coverage you had when you stopped working will resume if you are eligible.

Your health benefits can be temporarily continued under the Temporary Continuation of Coverage for 18 months. You must pay the full cost of coverage, including both the employee and government shares, plus a two percent administrative charge. Your employer will collect the premiums and maintain this coverage.

When your payments begin, if you are otherwise eligible to continue coverage, you can again enroll in the Federal Employees Health Benefits (FEHB) program and OPM will pay the government share of the premiums.

You are eligible to be enrolled in the Federal Employee Dental & Vision Insurance Program (FEDVIP) after your annuity begins.

If you do not file an application before your death, the rights of your surviving family members would be protected because you would be considered a retiree.

Survivor Benefits

Your Human Resources Office (HRO) or Shared Service Center (SSC) will review the election opportunities to provide benefits after your death to your (ex-)spouse, or another person you designate as having an insurable interest in your continuing life. If you do not provide for a monthly benefit after your death, your survivor will not be able to continue coverage under the Federal Employees Health Benefits (FEHB) program. The advisor will also cover the requirements that each survivor must meet to qualify.

When making an election to provide a benefit after your death, you must obtain your spouse's written consent to provide less than the maximum benefit allowed. To designate an insurable interest, you must have a physical examination at your own expense.

Voluntary Contributions

Voluntary contributions are payments made to the retirement fund in addition to the deductions that are withheld from pay. You can make these contributions only if you are covered by the Civil Service Retirement System (CSRS) and do not owe a deposit for a period of time when deductions were not withheld from your pay. To make voluntary contributions, you should submit a Standard Form 2804 to your employer.

You can make voluntary contributions in multiples of $25. Total contributions cannot exceed 10 percent of your pay received during your Federal career. You can purchase additional annuity of $7 per year for each $100 of voluntary contributions, plus 20 cents for each full year you are over age 55 when you retire. By electing to take a reduction in the additional annuity, you can also purchase additional annuity for a surviving spouse who may receive a benefit after your death.

Interest is paid on voluntary contributions at the rate of three percent annually until December 31, 1984. After that date, a variable interest rate is compounded annually on December 31st until service ends or a refund is paid.

Interest is applied at the rates described in the table in the previous sections on deposits and redeposits.

Credit for Time Worked *(continued)*

Credit for Voluntary Contributions

You can use voluntary contributions you made while working under the Civil Service Retirement System to purchase additional annuity when you retire or you can withdraw the contributions in a one-time payment.

You can purchase additional annuity of $7 per year for each $100 of voluntary contributions, plus 20 cents for each full year you are over age 55 when you retire. By electing to take a reduction in the additional annuity, you can also purchase additional annuity for a surviving spouse who may receive a benefit after your death.

Most people want to withdraw their voluntary contributions in a one-time payment. If the amount of the voluntary contributions, plus interest, is more than $200, you can roll the funds into an Individual Retirement Account (IRA) or other qualified retirement plan to defer income tax.

If you want to withdraw your voluntary contributions, you should submit either a Form RI 38-124 or Standard Form 2802 with the statement in item number seven, "I want only my voluntary contributions to be refunded to me." You can get these forms from your employer. You should submit your request at least 60 days before your expected retirement.

Annuity Estimates

At your request, your employer should provide you with any of the following estimates that apply to your circumstances. However, the U.S. Office of Personnel Management determines the actual amount of the benefit that is payable based on the laws and regulations and on the certified record of your employment.

- If you receive military retired pay, an estimate of your benefit with and without credit for military service
- If you are considering deposit for military service after 1956, an estimate of your benefit with and without credit for the military service you performed after December 31, 1956
- If you are considering a deposit, under the Civil Service Retirement System, for federal employment before October 1, 1982, estimates of the amount of the deposit and the amount of your benefit with and without the reduction for the deposit. Deposit service ending before October 1, 1982 and covered by the CSRS
- If you are considering a deposit, under the Civil Service Retirement System (CSRS), for federal employment on/after October 1, 1982, estimates of the amount of the deposit and the amount of your benefit with and without credit for the employment period. Deposit service ending after October 1, 1982 and covered by the CSRS
- If you are considering repaying a CSRS refund of retirement contributions for employment ending before March 1, 1991, request an estimate of the amount of the redeposit and your benefit with and without the actuarial reduction taken if the redeposit is not paid. Redeposit service ending before March 1, 1991 and covered by CSRS
- If you are considering a deposit, under the Federal Employees Retirement System (FERS), for federal employment before 1989, estimates of the amount of the deposit and the amount of your benefit with and without credit for the employment period. Deposit service ending before January 1, 1989 and covered by FERS
- If you are considering providing less than the maximum annuity payable after your death to an (ex-) spouse estimates of the amount of the survivor's annuity and the amount of your annuity with and without the reduction for full survivor's benefit

Credit for Time Worked *(continued)*

- If you are considering providing a survivor annuity to someone who has a financial interest in your continued life, an estimate of your benefit with and without the reduction for this election
- If you have made voluntary contributions and can elect to purchase additional annuity with those contributions, benefit estimates with and without credit for the voluntary contributions
- If you can elect to receive the alternative form of annuity, an estimate of your benefit with and without the lump sum payment of retirement contributions
- For employees, under the Federal Employees Retirement System (FERS), who can elect to receive an annuity supplement, an estimate of the monthly amount payable to age 62

COLA Adjustments

Cost-of-Living Adjustments (COLA) are effective each December first. The adjustment appears in your January payment on the first business day of the month, which is when your benefit for December is paid. Federal Employees Retirement System (FERS) COLAs are not provided until age 62, except for disability, survivor benefits, and other special provision retirements. Also, under FERS, if you have a CSRS component, the component is subject to the CSRS COLA.

You are covered under the Civil Service Retirement System (CSRS) subject to offset due to Social Security eligibility. This coverage is known as CSRS-Offset. How does the offset affect the computation of your benefit?

Your benefit will be computed in the same manner as if it were not subject to offset. However, it will be reduced when you become eligible for Social Security benefits. The offset applies when the basic requirements for Social

Security are met, generally at age 62, even if you do not apply for those benefits. If you are not eligible for Social Security benefits at age 62, there is no offset unless you become eligible later.

Pay-out for Unused Annual Leave

You can be paid for any unused annual leave and credit hours you hold at retirement.

Workers' Compensation Impact on Your Annuity

When you apply for retirement, you should list your Workers' Compensation on your application. Generally, you cannot receive Workers' Compensation and civil service annuity payments at the same time. You must decide which benefit is most advantageous and elect to receive that one. If you decide to receive Workers' Compensation benefits, payments from the Office of Personnel Management will be suspended. If your Workers' Compensation benefit stops, you can ask us to pay your civil service annuity.

You can continue to receive your civil service annuity payments when your Workers' Compensation is for a Scheduled Award. If you missed work before retirement for an on-the-job injury or illness and received Workers' Compensation, generally, you can receive credit for time in the computation of your civil service annuity.

Planning for Retirement in Six Months

You should resolve any financial indebtedness to your agency. Examples of causes for indebtedness include:

- Outstanding travel advances
- Overpayments of salary
- Advanced leave
- Indebtedness for failure to return government property or for damage to government property

Waive Military Retired Pay

If you want to waive your military retired pay to receive credit for military service in the computation of your benefit, you should write at least 60 days before your planned retirement. Send your waiver to:

- **Defense Finance and Accounting Service**, U.S. Military Retired Pay, 8899 E 56th Street, Indianapolis, IN 46249-1200
- You can "fax" your request to 1 (800) 469-6559

Suggested wording for your request is as follows:

"I (full name and military serial number) hereby waive my military retired pay for Civil Service Retirement purposes effective (the day before your annuity begins).

I hereby authorize the U.S. Office of Personnel Management to withhold from my civil service annuity any amount of military retired pay granted beyond the effective date of this waiver due to any delay in receiving or processing this request."

Maximum Benefit

The basic Civil Service Retirement System (CSRS) annuity cannot exceed 80 percent of your high-3 average salary, excluding your unused sick leave. Generally, you reach the 80 percent limitation when you have 41 years and 11 months of service, not including accumulated sick leave. Fewer years of service may result in a computation that produces the maximum benefit under special computation formulas such as for law enforcement personnel.

Your service beyond the years which provides the maximum benefit will not be used to compute your annuity. Instead, OPM will automatically refund the retirement contributions you made during those years. Interest is paid on this refund payment at the rate of three percent per year, compounded annually. You can use the refund to purchase additional annuity, as if the contributions and interest are voluntary contributions. However, if you have federal civilian employment periods when you did not contribute to either the CSRS or the Federal Employees Retirement System (FERS), OPM automatically applies excess contributions toward any deposit due for these employment periods. There is no maximum benefit under FERS.

Medicare Coverage Eligibility

You should contact the Social Security Administration at least three months before your 65th birthday to apply for benefits. The Social Security Administration will have records pertaining to your eligibility for Medicare coverage. If they do not, and you or your employer need to get a statement of your earnings for this purpose, you can write to:

National Archives and Records Administration
National Personnel Records Center
Civilian Personnel Records
1411 Boulder Boulevard
Valmeyer, IL 62295

You should provide the following information in your request:

- Your name, as shown on your payroll records
- Date of birth
- Social Security Number
- Mailing address
- Years for which earnings are needed
- Name and location of employer for each year
- Reason for request
- Written signature
- A statement that all other sources of information have been exhausted

Planning for Retirement in Two Months

Choosing an Exact Retirement Date

If you have not already done so, you should choose your exact retirement date. Afterwards, your benefit can be estimated based on the exact date.

The best place to obtain assistance is your agency's local personnel service center. They can provide personalized assistance and they have your employment records. They will provide you with information on when your benefit payments can begin based on your proposed retirement date. You will also find out how this date affects factors used to determine the amount of your retirement benefit, such as your length of service, high-3 average salary, and the proration of cost-of-living adjustments.

Completing Your Application

You should carefully read the information that is part of your retirement application, and complete and submit the forms. You do not need to submit a separate letter of resignation. A completed and signed retirement application is equivalent to a letter of resignation. If you are eligible for a retirement benefit, you should not resign, intending to submit a retirement application later. This is because if you die after separating but before filing the application no life insurance, no survivor benefit, and no survivor health insurance coverage would be available to your survivor(s). You should, however, complete all the other required "exit procedures".

Planning for Retirement in Two Months *(continued)*

Military Service Deposit

Your personnel office will verify with your payroll office that the deposit to give you credit in your annuity for military service you performed after 1956 has been paid, or that arrangements have been made for complete payment before you leave the agency's rolls.

Signing up for Direct Deposit

Include your request to receive your payments by direct deposit on your retirement application. There is a specific section of the application for that information. If your employer sends OPM your retirement records electronically, via the Data Exchange Gateway (DEG), your account information for direct deposit will be sent automatically. Direct Deposit for those whose permanent address for receiving payments is outside the United States is currently limited to Canada, France, Germany, Ireland, Italy, Panama, Spain, and the UK. However, other retirees living outside the U.S. can arrange to have their payments electronically deposited in a U.S. bank.

Withdrawing from the Thrift Savings Plan (TSP)

It may take up to eight weeks to process a withdrawal after all properly completed withdrawal forms and separation data have been received by the TSP Service Office. Further, the TSP Service Office cannot process a withdrawal election until they receive an Employee Data Record from your payroll office indicating that you have separated. This typically takes about 30 days.

If you have any TSP loans, decide if you want to pay them off, keep them open and set up monthly payments, or allow them to be foreclosed and accept the outstanding balance and accrued interest as taxable income. The unpaid balance will be reported to the IRS as a taxable distribution.

TSP will provide you with information about your withdrawal options and the option to keep your money in the TSP. If you choose not to withdraw your funds, in the event of your death the TSP Service Office would pay the funds based on your written designation form on file. If you have not completed a designation, payment would be made to your survivors as follows:

- Widow or widower
- If none of the above, child or children and descendants of deceased children by representation
- If none of the above, retiree's parents or to the surviving parent
- If none of the above, the executor or administrator of the retiree's estate
- If none of the above, to any other of the retiree's next of kin who is entitled under the laws of the state in which the retiree resided at death

Eligibility for Federal Retirement Benefits

Federal Employees Retirement System (FERS)

There are five categories of benefits in the FERS Basic Benefit Plan:

- Immediate
- Special Provisions
- Early
- Deferred
- Disability

Eligibility is determined by your age and number of years of creditable service.

In some cases, you must have reached the **Minimum Retirement Age (MRA)** to receive retirement benefits. Use the chart on the right to figure your MRA.

If you were born:	Your MRA is:
Before 1948	55
In 1948	55 and 2 months
In 1949	55 and 4 months
In 1950	55 and 6 months
In 1951	55 and 8 months
In 1952	55 and 10 months
In 1953 through 1964	56
In 1965	56 and 2 months
In 1966	56 and 4 months
In 1967	56 and 6 months
In 1968	56 and 8 months
In 1969	56 and 10 months
In 1970 and after	57

Immediate Retirement:

An immediate retirement benefit is one that starts within 30 days from the date you stop working.

If you meet one of the following sets of age and service requirements, you are entitled to an immediate retirement benefit:

Age	Years of Service
62	5
62	20
MRA	30
MRA	10

If you retire at the MRA with at least 10, but less than 30 years of service, your benefit will be reduced by 5 percent a year for each year you are under 62, unless you have 20 years of service and your benefit starts when you reach age 60 or later.

Federal Employees Retirement System (FERS) *(continued)*

Special Provisions:

Special Requirements: You must retire under special provisions for air traffic controllers or law enforcement and firefighter personnel. Air traffic controllers can also retire at any age with 25 years of service as an air traffic controller.

Age	Years of Service
50	20
Any Age	25

Early Retirement:

Refers to special eligibility rules as follows:

The early retirement benefit is available in certain involuntary separation cases and in cases of voluntary separations during a major reorganization or reduction in force. To be eligible, you must meet the requirements on the right:

Age	Years of Service
50	20
Any Age	25

Deferred Retirement:

Refers to delayed payment of benefit until criteria are met, as follows:

If you leave Federal service before you meet the age and service requirements for an immediate retirement benefit, you may be eligible for deferred retirement benefits. To be eligible, you must have completed at least 5 years of creditable civilian service. You may receive benefits when you reach one of the following ages:

Age	Years of Service
62	5
MRA	30
MRA	10

If you retire at the MRA with at least 10, but less than 30 years of service, your benefit will be reduced by 5 percent a year for each year you are under 62, unless you have 20 years of service and your benefit starts when you reach age 60 or later.

Federal Employees Retirement System (FERS) *(continued)*

Disability Retirement:

Disability Federal Employees Retirement System (FERS) Annuity Requirements

Age	Years of Service
Any Age	18 Months

Special Requirements: You must have become disabled, while employed in a position subject to FERS, because of a disease or injury, for useful and efficient service in your current position. The disability must be expected to last at least one year. Your agency must certify that it is unable to accommodate your disabling medical condition in your present position and that it has considered you for any vacant position in the same agency at the same grade/pay level, within the same commuting area, for which you are qualified for reassignment.

Civil Service Retirement System (CSRS)

There are five categories of benefits under the CSRS. Eligibility is based on your age and the number of years of creditable service and any other special requirements. In addition, you must have served in a position subject to CSRS coverage for one of the last two years before your retirement. If you meet one of the following sets of requirements, you may be eligible for an immediate retirement benefit. An immediate annuity is one that begins within 30 days after your separation.

- Optional
- Special Optional
- Early Optional
- Discontinued Service
- Disability

If you leave Federal service before you meet the age and service requirements for an immediate retirement benefit, you may be eligible for deferred retirement benefits. To be eligible, you must have at least 5 years of creditable civilian service and be age 62.

Optional:

Age	Years of Service
62	5
60	20
55	30

Special Optional:

Age	Years of Service
50	20
Any Age	25

Special Requirements: You must retire under special provisions for air traffic controllers or law enforcement and firefighter personnel. Air traffic controllers can also retire at any age with 25 years of service as an air traffic controller.

Civil Service Retirement System (CSRS) *(continued)*

Early Optional:

Age	Years of Service
50	20
Any Age	25

Special Requirements: Your agency must be undergoing a major reorganization, reduction-in-force, or transfer of function determined by the Office of Personnel Management. Your annuity is reduced if you are under age 55.

Discontinued Service:

Age	Years of Service
50	20
Any Age	25

Special Requirements: Your separation is involuntary and not a removal for misconduct or delinquency

Disability:

Age	Years of Service
Any Age	5

Special Requirements: You must be disabled for useful and efficient service in your current position and any other vacant position at the same grade or pay level within your commuting area and current agency for which you are qualified. The disability must have onset prior to retirement and should be expected to last for at least one year.

Federal Erroneous Retirement Coverage Corrections Act

The Federal Erroneous Retirement Coverage Corrections Act (FERCCA) legislation was signed in September 2000. It was designed to provide relief to Civilian Federal Employees who were placed in the wrong retirement system for at least 3 years of service after December 31, 1986.

FERCCA will give many employees and annuitants placed in the wrong retirement system an opportunity to choose between the Federal Employees Retirement System (FERS) and the offset provisions of the Civil Service Retirement System (CSRS). FERCCA may also provide one or more of the following:

- Reimbursement for certain out-of-pocket expenses paid as a result of a coverage error
- Ability to benefit from certain changes in the rules about how some Government service counts toward retirement
- Make-up contributions to the Thrift Savings Plan and receipt of lost earnings on those contributions

How can FERCCA help you?

It depends on what your retirement coverage error was and how long you were in the wrong retirement plan. FERCCA may provide you one or all of the following:

- You may have an opportunity to choose another retirement plan
- You may be reimbursed for certain out-of-pocket expenses you paid as a result of a coverage error
- You may benefit from certain changes in the rules about how some of your Government service counts toward retirement
- You may be able to make-up contributions to the Thrift Savings Plan and get lost earnings on those contributions as well

Federal Erroneous Retirement Coverage Corrections Act *(continued)*

How do you know which retirement system you're in now?

Look at any of your Standard Form 50s (Notifications of Personnel Actions). There's a block that shows your retirement plan. It's Block 30 on all current SF-50s. You'll see a code followed by an acronym that represents your retirement plan. Most Federal employees are in one of four possible retirement plans. They are:

Retirement Plan	Commonly Called	SF 50
Civil Service Retirement System	CSRS	Code 1 or 6
Civil Service Retirement System and Social Security	CSRS Offset	Code C or E
Social Security Only	FICA	Code 2
Federal Employees Retirement System	FERS	Code K, KR, KF, L, M, or N

"FICA" indicates Social Security coverage on your SF-50. For example, your retirement coverage as it appears on the SF-50 may be CSRS and FICA instead of CSRS Offset or FERS and FICA instead of FERS. If your agency does not use Standard Form 50s, you can find your retirement plan on the form it uses to notify you of personnel actions.

Federal Employees Retirement System (FERS)

The Federal Employees Retirement System, or FERS, became effective January 1, 1987. Almost all new employees hired after December 31, 1983, are automatically covered by FERS. Certain other Federal employees not covered by FERS have the option to transfer into the plan.

The Components

FERS is a three-tiered retirement plan. The three components are:

- Social Security Benefits
- Basic Benefit Plan
- Thrift Savings Plan

You pay full Social Security taxes and a contribution to the Basic Benefit Plan. In addition, your agency puts an amount equal to 1% of your basic pay each pay period into your Thrift Savings Plan (TSP) account. You can make tax-deferred or post-tax contributions to the TSP and a portion is matched by the Government.

The three components of FERS work together to give you a strong financial foundation for your retirement years.

The term "Social Security" means benefit payments provided to workers and their dependents who qualify as beneficiaries under the Old-Age Survivors, and Disability Insurance (OASDI) programs of the Social Security Act. OASDI replaces a portion of earnings lost as a result of retirement, disability, or death. It is designed to provide benefits that replace a greater percentage of earnings for lower-paid workers than for higher-paid workers. This means that Social Security benefits are more important for lower-paid workers than higher-paid workers.

As an employee with FERS coverage, you have Social Security coverage. You also are covered under Social Security's Medicare Hospital Insurance program. This pays a portion of hospital expenses incurred while you are receiving Social Security disability benefits or retirement benefits at age 65 or older.

Social Security Benefits

Social Security programs provide:

- Monthly benefits if you have reached at least age 62, and monthly benefits for your spouse and dependents if they are eligible
- Monthly benefits if you become totally disabled for gainful employment and benefits for your spouse and dependents if they are eligible during your disability
- Monthly benefits for your eligible survivors
- A lump sum benefit upon your death

To become eligible for benefits, you and your family must meet different sets of requirements for each type of benefit. An underlying condition of payment of most benefits is that you have paid Social Security taxes for the required period of time.

The amount of monthly benefits you receive is based on three fundamental factors:

- Average earnings upon which you have paid Social Security taxes, which are adjusted over the years for changes in average earnings of the American workforce
- Family composition (for example, whether you have a spouse or dependent child who may be eligible for benefits)
- Consumer Price Index (CPI) changes that occur after you become entitled to benefits. Benefits are subject to individual and family maximums

Once benefits begin, their continuation may depend upon your meeting a variety of conditions. For example, if you have earnings that exceed specified amounts while you are under age 70, your Social Security benefits will be reduced or stopped. There are special Social Security rules that may affect the benefits of Federal employees,

Social Security Benefits *(continued)*

including the Federal Employees Retirement System (FERS) participants. If you previously had some service that was covered by the Civil Service Retirement System (CSRS) (or another similar retirement system for Federal employees), your Social Security benefits may be affected by the Windfall Elimination Provision. If you transferred to FERS and do not complete 5 years of service under FERS, any spousal benefit you are entitled to under Social Security may be reduced because of the Government Pension Offset.

If you think either of these provisions may affect your benefits, ask your local Social Security office for copies of the factsheet, A Pension From Work Not Covered by Social Security (Publication No. 05-10045) and the factsheet, Government Pension Offset (Publication No. 05-10007). You may also request these publications by calling the Social Security Administration on (800) 772-1213 or by **downloading from the Web.**

Social Security Taxes

Most of the cost of Social Security is paid for through payroll taxes. Each year you pay a percentage of your salary up to a specified earnings amount called the maximum taxable wage base. The Federal Government, as your employer, pays an equal amount. The percentage you each pay for old age, survivor, and disability insurance coverage is 6.20% of your earnings up to the maximum taxable wage base which increases automatically each year based on the yearly rise in average earnings of the American work force.

The Federal Insurance Contributions Act (FICA) tax covers both the Old Age, Survivors, and Disability Insurance (OASDI) and Medicare Hospital Insurance (Part A) programs. Medicare Part A tax is 1.45% of earnings. All wages are subject to the deduction for Medicare.

Basic Benefit Plan

The second part of the Federal Employees Retirement System (FERS) is the Basic Benefit plan.

Eligibility

Most appointments, including Career-Conditional, Career, Term and some Excepted are eligible for FERS coverage.

Participation

If you were automatically covered by FERS, or you elected to transfer from the Civil Service Retirement System (CSRS) to FERS, you will participate in the Basic Benefit plan.

Vesting

To be vested (eligible to receive your retirement benefits from the Basic Benefit plan if you leave Federal service before retiring), you must have at least 5 years of creditable civilian service. Survivor and disability benefits are available after 18 months of civilian service.

Creditable Service

Creditable service generally includes:

- Federal civilian service for which contributions have been made or deposited
- Military service, subject to a deposit requirement. To receive credit for military service, generally, you must deposit 3% of your military base pay. Interest begins 2 years after you are hired. With certain exceptions, you cannot receive credit for military service if you are receiving military retired pay. Also, see the note that follows on credit for National Guard service
- Leaves of absence for performing military service or while receiving Workers' Compensation

Basic Benefit Plan *(continued)*

Unused Sick Leave under FERS can be used to increase an individual's total creditable service for annuity computation purposes only.

Credit is not allowed for civilian service after 1988 when no contributions were withheld in most situations.

Note: Service in the National Guard, except when ordered to active duty in the service of the United States, is generally not creditable. However, you may receive credit for National Guard service, followed by Federal civilian reemployment that occurs after August 1, 1990, when all of the following conditions are met:

- The service must interrupt civilian service creditable under the Civil Service Retirement System (or FERS) and be followed by reemployment in accordance with the appropriate chapter of the laws concerning Veterans Benefit
- It must be full-time (and not inactive duty), and performed by a member of the U.S. Army National Guard, or U.S. Air National Guard
- It must be under a specified law and you must be entitled to pay from the U.S. (or have waived pay from the U.S.) for the service

The deposit for National Guard service that meets these criteria is limited to the amount that would have been deducted from your pay for retirement if you had remained in the civilian service.

Contributions

Your contribution to the Basic Benefit Plan is determined by when you were first employed subject to FERS. If this was before 2013, the rate is 0.80%. Members of Congress and congressional staff pay 1.3%.

If you were first employed subject to FERS in 2013 or rehired in 2013 with less than 5 years of service creditable or potentially creditable under FERS, you are covered by FERS Revised Annuity Employee (RAE) and your contribution rate is 3.1% of your basic pay.

If you were first employed subject to FERS after 2013 or rehired after 2013 with less than 5 years of service creditable or potentially creditable under FERS, you are covered by FERS Further Revised Annuity Employee (FRAE) and your contribution rate is 4.4% of your basic pay.

With the exception of Congressional Members and employees, the FERS basic benefit is the same for FERS-RAE and FERS-FRAE employees as FERS employees.

Refunds

You may withdraw your basic benefit contributions if you leave Federal employment. However, if you do, you will not be eligible to receive benefits based on service covered by the refund unless you are subsequently reemployed in a position covered by FERS and pay the redeposit of FERS contributions that have been refunded plus interest.

Basic Benefit Plan *(continued)*

Retirement Options

There are five categories of retirement benefits in the Basic Benefit Plan:

- Immediate, and Postponed
- Special Provisions
- Early
- Disability
- Deferred

Eligibility is determined by your age and number of years of creditable service.

In some cases, you must have reached the Minimum Retirement Age (MRA) to receive retirement benefits. The following chart shows the MRA.

If you were born:	Your MRA is:
Before 1948	55
In 1948	55 and 2 months
In 1949	55 and 4 months
In 1950	55 and 6 months
In 1951	55 and 8 months
In 1952	55 and 10 months
In 1953 through 1964	56
In 1965	56 and 2 months
In 1966	56 and 4 months
In 1967	56 and 6 months
In 1968	56 and 8 months
In 1969	56 and 10 months
In 1970 and after	57

Immediate or Postponed

If you meet one of the following sets of age and service requirements, you are entitled to an immediate retirement benefit:

Age	Years of Service
62	5
60	20
MRA	30
MRA	10*

** (Reduced benefit unless postponed to lessen or eliminate age reduction)*

Special Provisions:

Age	Years of Service
50	20
Any Age	25

Special Requirements: You must retire under special provisions for air traffic controllers or law enforcement and firefighter personnel. Air traffic controllers can also retire at any age with 25 years of service as an air traffic controller.

Early

The early retirement benefit is available in certain involuntary separation cases and in cases of voluntary separations during a major reorganization or reduction in force. To be eligible, you must meet the following requirements:

Age	Years of Service
50	20
Any Age	25

Basic Benefit Plan *(continued)*

Deferred

If you leave Federal service before you meet the age and service requirements for an immediate retirement benefit, you may be eligible for deferred retirement benefits. To be eligible, you must have completed at least 5 years of creditable civilian service. You may receive benefits when you meet one of the following sets of age and service requirements:

Age	Years of Service
62	5
60	20
MRA	30
MRA	10*

**(Reduced benefit unless receipt delayed to lessen or avoid age reduction). Reduced benefits means if you retire at the minimum retirement age with at least 10 but less than 30 years of service, your benefit will be reduced at the rate of 5/12's of 1% for each month (5% for each year) you are under age 62, unless you have 20 years of service and your annuity begins at age 60 or later. You can avoid part or all of the reduction by postponing the commencing date of your annuity.*

Disability Retirement

Age	Years of Service
Any Age	18 Months

Special Requirements: You must have become disabled, while employed in a position subject to FERS, because of a disease or injury, for useful and efficient service in your current position. The disability must be expected to last at least one year. Your agency must certify that it is unable to accommodate your disabling medical condition in your present position and that it has considered you for any vacant position in the same agency at the same grade/pay level, within the same commuting area, for which you are qualified for reassignment.

Benefit Formula

How your benefit is calculated:

Your benefit is based on your "high-3 average pay." This is figured by averaging your highest basic pay (including locality) over any 3 consecutive years of creditable service.

Generally, your benefit is calculated according to this formula:

1% of your high-3 average pay	X	years of creditable service

If you retire at age 62 or later with at least 20 years of service (unused sick leave counts), a factor of 1.1% is used rather than 1%.

To determine your length of service for computation, add all of your periods of creditable service, then eliminate from the total any fractional part of a month (less than 30 days).

Depending on the category of retirement benefits you receive, your benefit may be reduced as described in the Retirement Options section. For example, the total could be reduced if you elect to retire at the minimum retirement age before completing 30 years of service.

Special Retirement Supplement

If you meet certain requirements, you will receive a Special Retirement Supplement (also known as FERS Annuity Supplement) which is paid as an annuity until you reach age 62. This

Basic Benefit Plan *(continued)*

supplement approximates the Social Security benefit earned while you were employed by the Federal government. You may be eligible for a Special Retirement Supplement if you retire:

- After the Minimum Retirement Age (MRA) with 30 years of service
- At age 60 with 20 years of service
- Upon involuntary or early voluntary retirement (age 50 with 20 years of service, or at any age with 25 years of service) after the U.S. Office of Personnel Management determines that your agency is undergoing a major reorganization, reduction-in-force (RIF) or transfer of function. You will not receive the Special Retirement Supplement until you reach your MRA

If you transfer to the Federal Employees Retirement System (FERS) from the Civil Service Retirement System (CSRS), you must have at least one full calendar year of FERS-covered service to qualify for the supplement.

If you have earnings from wages or self-employment that exceed the Social Security annual exempt amount, your Special Retirement Supplement will be reduced or stopped.

Survivor Benefits

The Basic Benefit Plan provides benefits for survivors of Federal employees and retirees.

Spouse

If you die while you are an employee...

If you are married, have 18 months of civilian service, and die while you are an active employee, your surviving spouse receives:

A lump sum payment

+

the higher of 1/2 of your annual pay rate at death

-or-

1/2 of your high-three average pay.

If you had 10 years of service, your spouse also receives an annuity equaling 50% of your accrued basic retirement benefit. These benefits are paid in addition to any Social Security, group life insurance, or Thrift Savings Plan (TSP) survivor benefits.

To be eligible for benefits, you and your spouse must have been married for at least 9 months, or there must be a child born of the marriage, or your death must be accidental.

If you die while you are a retiree...

A married retiree's annuity is automatically reduced to provide spouse survivor benefits unless those benefits are jointly waived in writing by the retiree and the spouse before retirement.

Your annuity is reduced 10% to give your surviving spouse:

An annuity of 50% of your unreduced benefit

+

a special supplemental annuity payable until age 60, if your spouse will not be eligible for Social Security survivor benefits until age 60.

You and your spouse may choose instead to have your annuity reduced by 5% to give your spouse an annuity of 25% of your unreduced benefit at your death.

Separate provisions apply to spouses of disabled annuitants.

Survivor Benefits *(continued)*

Former Spouses

A former spouse may receive survivor benefits as provided in a retiree election or a qualifying court order.

Children

If you have 18 months of civilian service and die while you are an active employee, or if you have retired, your children may be eligible to receive an annuity.

This benefit is payable to each unmarried child:

- Up to age 18
- Up to age 22 if a full-time student
- At any age if the child became disabled before age 18

The amount of the Federal Employees Retirement System (FERS) benefit depends on the number of children and if the children are orphaned. In 2023, the FERS surviving child benefit was $635 per month per child for each of three children; $763 if orphaned. The total children's benefit is reduced dollar for dollar by any Social Security children's benefits that may be payable.

Disability Benefits

FERS disability benefits can help you replace part of your income if you are unable to work for a prolonged period.

You are considered disabled under FERS if you are unable to perform useful and efficient service in your position because of disease or injury. However, you will not be considered disabled if you decline your agency's offer of a position which accommodates your disability and is at the same grade or pay level and is within your commuting area.

You may also qualify for Social Security disability benefits if you are unable to work in any substantial gainful activity.

Eligibility

To qualify for FERS disability benefits, your disabling condition must be expected to last at least 1 year, and you must have at least 18 months of creditable civilian service.

The Benefits

The first year:

60% of your high-3 average pay

–

100% of any Social Security disability benefits to which you are entitled.

After the first year and until age 62, if your disability prevents you from performing your job and you do not qualify for Social Security disability benefits, your benefit will be:

40% of your high-3 average pay.

If you do qualify for Social Security benefits, your FERS disability benefit will be reduced by 60% of the Social Security benefit to which you are entitled. The resulting total you receive from both FERS and Social Security will be at least 40% of your high-3 plus 40% of your Social Security disability benefits.

If your earned annuity rate (1% x high 3 average salary x years of service) is higher than the above rates after the reduction for Social Security, you will receive the higher benefit.

When you reach age 62 your disability benefit will be recomputed. Essentially, you will receive the annuity you would have received if you had not been disabled, but had continued working until age 62. For purposes of this recomputation, your average salary will be increased by all FERS cost-of-living adjustments that took effect while you were receiving a disability annuity.

If you are a disability retiree under age 60 and your total income from work in a calendar year exceeds 80% of the current

Disability Benefits *(continued)*

pay level of your former job, the disability benefits will be discontinued. You also may be required to provide proof periodically that you have not recovered from your disability.

Cost-of-Living Adjustments (COLAs)

Survivors and disability retirees receive a COLA regardless of their ages; however, disability retirees receiving 60% of their average pay do not receive a COLA during the first year. All other retirees begin to receive COLAs at age 62. COLAs are effective December 1 and reflected in the January payment.

The amount of the annual COLA percentage is based on the increase in the Consumer Price Index (CPI):

Increase in CPI	Annual COLA Percentage
Up to 2%	Same as CPI increase
2-3%	2%
3% or more	CPI increase minus 1%

The Special Retirement Supplement for retirees is not increased by COLA's; the supplement for survivors is increased by COLA's.

Form of Payment

FERS Basic Benefits are a monthly annuity that is paid the first business day of the month after it accrues. For example, the payment for December is made in January.

Thrift Savings Plan

The third part of your FERS benefit is the Thrift Savings Plan (TSP). The TSP is a tax-deferred retirement savings and investment plan that offers you the same type of savings and tax benefits that many private corporations offer their employees under 401(k) plans. By participating in the TSP, you have the opportunity to save part of your income for retirement, receive matching agency contributions, and have a choice of tax treatment (traditional or Roth) and perhaps reduce your current taxes.

Your thrift account is the part of your retirement that you control — you decide how much of your pay to put into the account, how to invest it, and when you retire, you decide how you want your money paid out.

The best way to assure that your retirement income meets your needs is to start investing in the TSP at the beginning of your Federal service, and to continue to do so throughout your career. This is your way to invest in your own future — to invest in yourself. It is particularly important for higher-paid employees to save enough through the TSP since Social Security replaces less income of higher-paid workers than it does for lower-paid workers.

Additional information about the benefits and features of the TSP has been issued by the Federal Retirement Thrift Investment

Board (FRTIB) and is available from your agency employing office or the **TSP Website**. In addition to the "Summary of the Thrift Savings Plan for Federal Employees" (stock number TSPB08), separate booklets on the loan program, withdrawal options, and annuities are available.

Eligibility

If you are a FERS employee and you were hired after July 31, 2010 and before October 1, 2020, your agency has automatically enrolled you in the TSP, and 3% of your basic pay is deducted from your paycheck each pay period and deposited in the traditional balance of your TSP account, unless you have made an election to change or stop your contributions. You can make an election by following the instructions in **Starting, Changing, and Stopping Your Contributions**.

If you are a FERS employee and you were hired on or after October 1, 2020, your agency has automatically enrolled you in the TSP, and 5% of your basic pay is deducted from your paycheck each pay period and deposited in the traditional balance of your TSP account, unless you have made an election to change or stop your contributions. You can make an election by following the instructions in Starting, Changing, and Stopping Your Contributions.

If you are a FERS employee and you were hired before August 1, 2010, you already have a TSP account with accruing Agency/ Service Automatic (1%) Contributions. In addition, you can make contributions to your account from your pay and receive **Agency/ Service Matching Contributions**.

Contributions

There are three types of contributions that may be made to your account:

- Agency Automatic (1%) Contributions
- Employee Contributions
- Agency Matching Contributions

Agency Automatic (1%) Contributions

Your agency will set up a Thrift account for you and will automatically contribute an amount equal to 1% of your basic (including locality) pay each pay period. These Agency Automatic (1%) Contributions are not taken out of your salary, and your agency makes these contributions whether or not you contribute your own money.

Employee Contributions

You may make your own contributions by payroll deductions. The money you contribute could be taken out of your pay before Federal and, in almost all cases, State income taxes are calculated. These contributions are made to a Traditional TSP Account. You can also elect to make your contributions post tax, into a Roth TSP Account. You may contribute up to the Internal Revenue Service (IRS) elective deferral limit. The elective deferral limit for 2023 is $22,500. This amount is the total for both Traditional and Roth combined.

Agency Matching Contributions

When you make employee contributions, your agency will make matching contributions to your TSP account according to the following schedule:

Your Agency	Contribution Match
First 3% of Basic Pay	$1.00 for each $1.00 you contribute
Next 2% of Basic Pay	$0.50 for each $1.00 you contribute
Next 5% of Basic Pay	0

The agency contributions are not taken out of your salary; they are an extra benefit to you. While your agency will only provide matching contributions on your contributions up to 5% of your basic pay each pay period, you still benefit from before-tax savings and tax-deferred earnings on amounts you contribute in excess of 5% of your basic pay each pay period.

Vesting Requirement

When you separate from Federal service, you must meet the Thrift Plan vesting requirement to be entitled to, or vested in, your Agency Automatic (1%) Contributions and attributable earnings. For most employees, this vesting requirement is 3 years of Federal, generally civilian, service.

Congressional employees and certain other non-career employees must complete 2 years of Federal, generally civilian, service. Employees who die in service are automatically vested in their Agency Automatic (1%) Contributions.

You are immediately vested in your own contributions and your Agency Matching Contributions and in the earnings attributable these contributions.

If you leave government service before you meet the vesting requirements, your agency automatic 1% contributions and their earnings are forfeited. You are automatically considered vested in all the money in your account if you die before separating from service.

Investment Options

There are three approaches to investing your money in the Thrift Savings Plan.

- Individual Funds
- L Funds
- Mutual Fund Window

The Funds differ in the rate of return and amount of risk involved. You may invest any percentage of future contributions to your account in any of the investment Funds. You can also transfer any portion of your existing account balance among the Funds:

Government Securities Investment (G) Fund

The G Fund consists of investments in short-term U.S. Treasury securities specially issued to the Thrift Savings Plan. All investments in the G Fund earn interest at a rate that, by law, is equal to the average of market rates of return on U.S. Treasury marketable securities outstanding with 4 or more years to maturity. There is no credit risk for G Fund securities because they are guaranteed by the U.S. Government. By investing in the G Fund, you are exposed to inflation risk, meaning your G Fund investment may not grow enough to offset the reduction in purchasing power that results from inflation.

Common Stock Index Investment (C) Fund

The C Fund is invested in a Standard & Poor's 500 (S&P 500) stock index fund, that is made up of the common stocks of all of the companies represented in the S&P 500 index. The C Fund gives participants the opportunity to diversify their investments by investing broadly in the U.S. stock markets and to earn the relatively high investment returns stocks sometimes provide. The risk of investing in the C Fund is that the value of stocks can decline sharply, resulting in losses. The C Fund uses an indexing approach to investing. In other words, it is a passively managed fund that remains invested according to its investment strategy regardless of stock market movements or general economic conditions.

Fixed Income Index Investment (F) Fund

The F Fund is invested in a bond index fund that tracks the performance of the Bloomberg U.S. Aggregate Bond Index. The bond index consists primarily of high quality fixed-income securities representing the U.S. Government, corporate, and mortgage-backed securities sectors of the U.S. bond market. The F Fund offers the opportunity for increased rates of return in periods of generally declining interest rates. The F Fund carries credit risk and market risk and, thus, has potential for negative returns that can result in losses.

Small Cap Stock Investment (S) Fund

The S Fund invests in a stock index fund that tracks the Dow Jones U.S. Completion Total Stock Market (TSM) Index. The earnings consist of dividend income and gains (or losses) in the price of stocks. The S Fund uses an indexing approach to investing. In other words, it is a passively managed fund that remains invested according to its investment strategy regardless of conditions in the bond market or the economy. Your investment in the S Fund is subject to market risk because the Dow Jones U.S. Completion Total Stock Market Index returns will move up and down in response to overall economic conditions. By investing in the S Fund, you are also exposed to inflation risk, meaning your S Fund investment may not grow enough to offset the reduction in purchasing power that results from inflation.

International Stock Index Investment (I) Fund

The I Fund invests in a stock index fund that fully replicates the MSCI EAFE (Europe, Australasia, Far East) Index. The earnings consist of gains (or losses) in the price of stocks, dividend income, and change in the relative value of currencies. The I Fund uses an indexing approach to investing. In other words, it is a passively managed fund that remains invested according to its investment strategy regardless of stock market movements or general economic conditions. Your investment in the I Fund is subject to market risk because the MSCI EAFE Index returns will move up and down in response to overall economic conditions. Because of its exposure to currency risk, the EAFE Index (and the I Fund returns) will rise or fall as the value of the U.S. dollar decreases or increases relative to the value of the currencies of the countries represented in the EAFE index. By investing in the I Fund, you are also exposed to inflation risk, meaning your I Fund investment may not grow enough to offset the reduction in purchasing power that results from inflation.

Life Cycle (L) Fund

The L Funds, or "Lifecycle" funds, use professionally determined investment mixes that are tailored to meet investment objectives based on various time horizons. The objective is to strike an optimal balance between the expected risk and return associated with each fund. The L Funds'

Thrift Savings Plan *(continued)*

strategy is to invest in an appropriate mix of the G, F, C, S, and I Funds for a particular time horizon or target retirement date. The investment mix of each L Fund becomes more conservative as its target date approaches. The strategy assumes that:

- The greater the number of years you have until retirement, the more willing and able you are to tolerate risk (fluctuation) in your TSP account value to pursue higher rates of return
- For a given risk level and time horizon, there is an optimal mix of the G, F, C, S, and I Funds that provides the highest expected return

Mutual Fund Window

The Mutual Fund Window allows participants who meet certain conditions to invest a portion of their account in mutual funds outside of the TSP. Your initial investment in the Mutual Fund Window must be at least $10,000. You may not invest more than 25% of your total account in the Mutual Fund Window. You will be charged a fee for this option.

Contributing to TSP

If you were not automatically enrolled, you can begin contributing to the Thrift Savings Plan by completing an Election Form (TSP-l) and submitting it to your agency employing office.

Tax Advantages

There are two major tax advantages to the Thrift Savings Plan (TSP). First, you pay current Federal income taxes on your salary after your TSP contributions have been deducted. Second, you do not pay current Federal income taxes on the earnings you receive on your TSP account balance. Most states allow the same pre-tax and tax deferred savings on their income taxes. These tax advantages continue until you withdraw your account balance — usually at retirement when your tax bracket may be lower. If you leave Federal service before you are eligible to retire, you may transfer your account balance to an Individual Retirement Arrangement Account or other eligible retirement plans and continue to defer taxes. You could also make post-tax contributions to Roth account.

Loan Program

If you have at least $1,000 of your own contributions (including attributable earnings) in your account you may borrow from it.

There are two types of loans: general purpose, which does not require you to document or specify the purpose of your loan, and residential, which is only for the purchase of a primary residence and requires documentation.

You pay interest on the loan at the G Fund rate in effect at the time your application is received. Both the principal and the interest you pay go back into your own TSP account. See the booklet "Loans General Purpose and Primary Residence" for more information about the TSP loan program.

Withdrawing Your Funds

The Thrift Savings Plan is a long-term plan for retirement savings with special tax advantages. Generally, you cannot withdraw your TSP account until you separate from Federal service, unless you meet the requirement for an In-Service Withdrawal.

After you separate from Federal service, there are three basic ways to withdraw your account:

- Installments
- Partial/total distribution
- Annuity purchases

You can also do a combination. See "Withdrawals in Retirement and the Distributions" booklet for details. You will also want to consider the tax consequences.

Leaving your money in the TSP

If you do not want to withdraw your account when you leave Federal service, you can leave your entire account balance in the Thrift Savings Plan. However, you must begin a withdrawal by your Required Minimum Distribution (RMD) age from a Traditional TSP Account. Roth TSP Accounts are not subject to Required Minimum Distributions.

Automatic Cash out

After you separate from Federal service, if your account balance is $200 or less, your entire account will be paid to you automatically in a single payment.

The SECURE Act 2.0 will bring more changes. The TSP is currently conducting a detailed assessment to determine how it affects the TSP.

Special Groups of Employees

Firefighters, Law Enforcement Officers, and Air Traffic Controllers

These groups of employees receive an unreduced benefit at age 50 with 20 years of service, or at any age with 25 years of service. If you are in one of these employee groups, you contribute an additional .5% of pay to the Federal Employees Retirement System (FERS).

Your annual annuity is:

1.7% of your high-3 average pay times

20 years of service

+

1.1% of your high-3 average pay

X

years of service exceeding 20.

You also receive a Special Retirement Supplement until age 62 that approximates the Social Security benefit earned in Federal service. After you reach the Minimum Retirement Age (MRA), if you have earnings from wages or self- employment that exceed the Social Security annual exempt amount, your supplement will be reduced or stopped. In addition, you are entitled to an annual Cost-of-Living Adjustment (COLA), regardless of your age.

Military Reserve Technicians

If you are a military reserve technician who loses the military status required to maintain your position, you may retire and receive an unreduced annuity if you are at least age 50 with 25 years of service.

In addition, a Special Retirement Supplement is payable until age 62. After you reach your Minimum Retirement Age (MRA), if you have earnings from wages or self-employment that exceed the Social Security annual exempt amount your supplement will be reduced or stopped.

Part-Time Employees

In calculating the annuity for employees with part-time service, the average high-3 consecutive years of pay will be based on the full-time pay rate. The benefit based on the full-time rate is reduced according to the part-time schedule.

Members of Congress and Congressional Employees

Members of Congress receive an unreduced annuity at age 50 with 20 years of service, or at any age with 25 years of service. Congressional employees must meet the age and service requirements explained in the Basic Benefit Plan section. If you are a Member of Congress or a Congressional employee, with at least 5 years of Congressional service, your annuity will be:

1.7% of your high-3 average pay times

years of Congressional service up to 20

+

1.0% of high-3 average pay

X

any other service.

Members of Congress and Congressional employees subject to FERS-RAE or FERS-FRAE do not receive the enhanced computation and instead receive 1% or 1.1% of their average pay, as appropriate.

A Special Retirement Supplement is payable from the Minimum Retirement Age to age 62. If you have earnings from wages or self-employment that exceed the Social Security annual exempt amount, your supplement will be reduced or stopped.

Cost-of-Living-Adjustment's (COLA's) are payable to Congressional retirees before age 62 only if they retire for disability.

Members of Congress and Congressional employees contribute an additional .5% of pay to the Federal Employees Retirement System (FERS). Members of Congress and Congressional employees subject to FERS-RAE or FERS-FRAE do not pay the additional .5% retirement contribution.

Enrolling in FERS

New Employees

Most new employees hired after December 31, 1983, are automatically covered by the Federal Employees Retirement System (FERS). The exceptions are employees in appointments that are limited to 1 year or less, most intermittent employees, anyone who is not eligible for Social Security coverage, or certain persons with non-Federal service which is creditable under the Civil Service Retirement System (CSRS).

Rehires and Conversions

The general rules on whether you are covered by CSRS, CSRS Offset, or FERS after a break in service or conversion from one type of appointment to another are stated below. Just how those rules apply to you must be determined by your Human Resources Office.

If you leave Federal Government service and return within 1 year and you were previously covered under CSRS (without Social Security), then you will generally be covered by CSRS upon reemployment. However, you may elect within 6 months of reemployment to transfer to FERS, in which case you will also be covered by Social Security.

If you leave Federal Government service and return after more than 1 year and you were previously covered under CSRS, then you are automatically covered by Social Security and:

- If you have less than 5 years under CSRS, you are automatically covered by FERS
- If you have 5 or more years under CSRS, you are covered by CSRS Offset. Your CSRS contributions are reduced by 100% of your Social Security Old-Age, Survivor Disability Insurance (OASDI) fund taxes. Your CSRS benefit will be offset by any Social Security benefit attributable to your Federal service

In determining whether you have 5 years of service which is creditable under CSRS, count all civilian service as of your last separation from service, even though it may not have been covered by CSRS deductions, or you may have received a refund of CSRS deductions. You will receive credit for your CSRS service if you make any payments for your past service that may be required.

Even if you were never covered by CSRS, you are eligible for CSRS Offset coverage if you had 5 years of creditable civilian service before January 1, 1987.

If you are rehired under CSRS or CSRS Offset, you may elect to transfer to FERS within 6 months of reemployment.

If you elect to transfer to FERS, the following rules apply:

- Your credit in CSRS is frozen, but your combined CSRS and FERS annuity will be based on the average of your highest 3 consecutive years of pay
- You will receive a full Civil Service Retirement System (CSRS) cost of living adjustment on the CSRS portion of your annuity
- Your service after the date of transfer is treated under the FERS rules. (If you were under CSRS Offset, your offset service is also treated under FERS rules.) In addition, all of your service is treated under FERS rules if you have less than 5 years

Enrolling in FERS *(continued)*

of non-Offset CSRS service when you transfer

- All service (CSRS and FERS) counts toward years needed to be eligible for retirement, disability, survivor, and Thrift Saving Plan benefits under FERS
- All survivor and disability benefits are paid under FERS rules
- Unused sick leave is credited under CSRS rules based on the amount accumulated at the date of transfer or date of retirement, whichever is lower. Any amount over is credited under the FERS rules
- You have Social Security coverage when you enroll in FERS
- You will receive Government contributions to your TSP account

If you are converted from an appointment that is excluded from FERS coverage to an appointment that is not excluded, generally you will automatically be covered by FERS. If you are not automatically covered by the plan, you will have a 6-month opportunity to transfer to it.

Note: If you are eligible to elect FERS coverage because of being rehired or converted to a different appointment, you should read the FERS Transfer Handbook — A Guide To Making Your Decision, RI 90-3, before making a decision. Your Human Resources Office should provide it to you.

Civil Service Retirement System

The Civil Service Retirement Act, which became effective on August 1, 1920, established a retirement system for certain Federal employees. It was replaced by the Federal Employees Retirement System (FERS) for Federal employees who first entered covered service on and after January 1, 1987.

The Civil Service Retirement System (CSRS) is a defined benefit, contributory retirement system. Employees share in the expense of the annuities to which they become entitled. CSRS covered employees contribute 7, 7 1/2 or 8 percent of pay to CSRS and, while they generally pay no Old Age, Survivor and Disability Insurance (OASDI), aka Social Security, tax, they must pay the Medicare tax (currently 1.45 percent of pay). The employing agency matches the employee's CSRS contributions.

CSRS employees may increase their earned annuity by contributing up to 10 percent of the basic pay for their creditable service to a voluntary contribution account. Employees may also contribute a portion of pay to the Thrift Savings Plan (TSP). There is no Government contribution, but the employee contributions are tax-deferred.

Eligibility

There are five categories of benefits under the CSRS. Eligibility is based on your age and the number of years of creditable service and any other special requirements. In addition, you must have served in a position subject to CSRS coverage for one of the last two years before your retirement. If you meet one of the following sets of requirements, you may be eligible for an immediate retirement benefit. An immediate annuity is one that begins within 30 days after your separation.

If you leave federal service before you meet the age and service requirements for an immediate retirement benefit, you may be eligible for deferred retirement benefits. To be eligible, you must have at least five years of creditable civilian service and be age 62.

Optional

If you leave Federal service before you meet the age and service requirements for an immediate retirement benefit, you may be eligible for deferred retirement benefits. To be eligible, you must have at least 5 years of creditable civilian service and be age 62.

Age	Years of Service
62	5
60	20
55	30

Special/ Early Optional

Special/Early Optional Requirements:
Your agency must be undergoing a major reorganization, reduction-in-force, or transfer of function determined by the Office of Personnel Management and you are offered the opportunity to voluntarily retire. Your annuity is reduced if you are under age 55.

Age	Years of Service
50	20
Any Age	25

Eligibility *(continued)*

Special Provision Retirement

Special Requirements: You must retire under special provisions for air traffic controllers or law enforcement and firefighter personnel, nuclear materials courier, Supreme Court and Capitol Police.

Age	Years of Service
50	20
Any Age*	25

**Only air traffic controllers can also retire at any age with 25 years of service as an air traffic controller.*

Discontinued Service

Special Requirements: Your agency must be undergoing a major reorganization, reduction-in- force, or transfer of function determined by the Office of Personnel Management. Your annuity is reduced if you are under age 55.

Age	Years of Service
50	20
Any Age	25

Disability

Special Requirements: Your separation is involuntary and not a removal for misconduct or delinquency. The disability must have onset prior to retirement and should be expected to last for at least one year. You must be disabled for useful and efficient service in your current position and any other vacant position at the same grade or pay level within your commuting area and current agency for which you are qualified.

Age	Years of Service
Any Age	5

Computation

Your basic annuity is computed based on your length of service and "high-3" average salary. You also receive credit for unused sick leave if you retire on an immediate annuity. To determine your length of service for computation, add all your periods of creditable service, and the period represented by your unused sick leave, then eliminate any fractional part of a month from the total.

High-3 Average Salary

Your "high-3" average pay is the highest average basic pay you earned during any 3 consecutive years of service. These three years are usually your final three years of service, but can be an earlier period, if your basic pay was higher during that period. Your basic pay is the basic salary (including locality) you earn for your position.

It includes increases to your salary for which retirement deductions are withheld, such as shift rates. It does not include payments for overtime, bonuses, etc.

CSRS Annuity Formula	
Years of Service	**What You Receive**
First 5 years of service	1.5 percent of your high-3 average salary for each year
Second 5 years of service	**Plus** 1.75 percent of your high-3 average salary for each year
For all years of service over 10	**Plus** 2 percent of your high-3 average salary for each year.

Reductions in Annuity

Your annuity will be reduced if:

- You retire before age 55 (unless you retire for disability or under the special provisions for law enforcement officers, air traffic controllers, and firefighters); your annuity will be reduced by one-sixth of 1 percent for each full month you are under age 55
- You didn't make a deposit for service performed prior to October 1, 1982, during which no deductions were taken from your pay (non-deduction service after that date is not used in the computation of benefits if the deposit is not paid)
- You didn't make a redeposit of a refund for a period of service that ended before March 1, 1991
- You provide for a survivor
  - To provide a full survivor benefit for your current or former spouse, your annuity will be reduced by 2.5 percent of the first $3,600, plus 10 percent of the annuity over $3,600
  - To provide a survivor annuity for a person who has an "insurable interest" in you, your annuity would be reduced from 10 to 40 percent, depending on the difference in your age and the age of the person named

Cost of Living Adjustments

Your annuity will be increased periodically by cost-of-living adjustments (COLA) that occur after you retire. Your initial COLA will be prorated based on how long you have been retired when that cost-of-living increase is granted.

Maximum Payable

The maximum benefit you can receive from CSRS is 80 percent of your high-3 average salary, plus credit for your sick leave. This limit generally affects only those who have more than 41 years, 11 months of service when they retire.

Special Computation for Law Enforcement Officers, Firefighters and Nuclear Materials Couriers

CSRS Annuity Formula	
If retired under the special provision for firefighters, law enforcement officers, or nuclear materials couriers	
Years of Service	**What You Receive**
First 20 years of CSRS law enforcement officer, firefighter and/or nuclear materials courier service	2.5% of your high-3 average salary for each year
All remaining CSRS service	**Plus** 2% of your high-3 average salary for each year

Disability Retirement Computation

If you retire for disability, you may be guaranteed a minimum annuity equal to the smaller of:

- Forty percent of your "high-3 average salary"
- The regular annuity obtained after increasing your service by the time between your retirement and your 60th birthday

The guaranteed minimum applies if you are under age 60 when you retire and your earned annuity based on your actual service is less than this minimum.

Exception:

The guaranteed minimum does not apply if you are receiving military retired pay and/or compensation from the Veterans Administration in lieu of all or part of the military retired pay. However, if your earned annuity plus your military benefit (or compensation) is less than what it would have been under the guaranteed minimum, the annuity is increased to bring it up to that level.

Disability

When to Consider Applying for Disability Retirement

You should consider applying for disability retirement only after you have provided your employing agency with complete documentation of your medical condition and your agency has exhausted all reasonable attempts to retain you in a productive capacity, through accommodation or reassignment.annuity is increased to bring it up to that level.

Eligibility Requirements for CSRS Disability

You must meet all of the following conditions to be eligible for disability retirement:

- You must have completed at least five years of creditable Federal civilian service
- You must, while employed in a position subject to CSRS, have become disabled, because of disease or injury, for useful and efficient service in your current position. (Useful and efficient service means fully successful performance of the critical or essential elements of the position- or the ability to perform at that level-and satisfactory conduct and attendance)
- The disability must be expected to last at least one year
- Your agency must certify that it is unable to accommodate your disabling medical condition in your present position and that it has considered you for any vacant position in the same agency, at the same grade or pay level, and within the same commuting area, for which you are qualified for reassignment
- You, or your guardian or other interested person, must apply before your separation from service or within one year of your separation. The application must be received by OPM within one year from the date of your separation. This time limit can be waived only in instances involving incompetency

Applying for Disability Retirement

To apply for CSRS disability retirement:

- Complete SF 2801, Application for Immediate Retirement
- SF 3112, Documentation in Support of Disability Retirement

If you are still employed or have been separated from your employing agency for 31 days or less:

Your employing agency may help you complete these forms and if you are still on the agency payroll, will

Disability *(continued)*

forward the completed forms to OPM. However, it is your responsibility to obtain all the information necessary for OPM to make a decision on your claim. This includes providing all of the required forms and documentation.

If you are covered by the CSRS Offset Retirement System:

You must document that you applied for Social Security disability benefits after you separated from your agency. OPM cannot pay you a disability retirement without this information.

If you have been separated from Federal service for more than 31 days:

Your application for disability retirement must be received by OPM within one year after the date of your separation. If you have been separated from Federal service for more than 31 days, your former employing agency may no longer have your personnel records and may not be able to recover them in time to process your disability retirement application and submit it to OPM within the one-year time limit. Therefore, you should submit your application directly to OPM rather than to your agency.

- Ask your former supervisor and employing agency to complete SF 3112B, SF 3112D and SF 3112E and give them to you so you can send them to OPM
- If you think you will not have the completed package in time to meet the one-year time limit, send OPM the completed SF 2801 and SF 3112A, along with the name, address and telephone number of the person(s) you have asked to complete the remaining forms

Periodic Medical Exams to Keep Your Disability Benefit

When OPM approves your application for disability retirement, OPM may determine that based on your medical condition you will periodically have to provide OPM with current medical information in order to continue receiving benefits.

Paying for periodic medical exams

You are responsible for paying for any medical exams that are needed. If you do not fulfill the request for evidence of continuing disability, it is likely that your benefit payments could be suspended until your continuing eligibility is established.

Changing Your Retirement to Disability Retirement

You can submit an application for disability retirement within one year after your separation from employment provided you did not elect the alternative form of annuity with a lump sum payment equal to your retirement contributions. You and your former employing agency must submit evidence that shows you became disabled while employed in a position subject to FERS coverage, and you and your agency must provide evidence that you were unable to perform useful and efficient service because of disease or injury in the position you retired from. Your former agency will also have to certify that it could not reasonably accommodate your condition. Moreover, you must not have declined an offer of reassignment to a vacant position in the commuting area at the same grade or pay level and tenure.

Termination of CSRS Disability Benefit

If you are under age 60, your benefit will stop if:

- You are found to be medically recovered from your disabling condition
- In any calendar year your income from wages and self-employment is at least 80 percent of the current rate of basic pay from the position you retired from (also known as restoration to earning capacity)
- You are reemployed in the Federal service in a position equivalent to what you held at retirement (also called “administratively recovered”)

Reinstatement of Disability Benefit if it Stops

- If your disability benefit stopped because you were found recovered either medically or administratively, your benefit can resume only if the disability recurs and you do not exceed the 80 percent earnings limitation
- If your disability stopped because you exceeded the earnings limitation, your benefit can resume effective the first of the year after you no longer exceed the 80 percent earnings limit

Disability Retirement Computation

You are entitled to an “earned” annuity computed under the CSRS general formula. However, the law guarantees a minimum annuity to employees who retire because of disability. The guaranteed minimum applies if you are under age 60 when you retire and your earned annuity based on your actual service is less than this minimum.

The guaranteed minimum is the lesser of the following:

- Forty percent of your “high-3 average salary”
- The regular annuity obtained after increasing your service by the time between your retirement and your 60th birthday

Exception:

The guaranteed minimum does not apply if you are receiving military retired pay and/or compensation from the Veterans Administration in lieu of all or part of the military retired pay. However, if your earned annuity plus your military benefit (or compensation) is less than what it would have been under the guaranteed minimum, the annuity is increased to bring it up to that level.

Reductions in Disability Annuity

Your basic annual disability annuity will be reduced for:

Survivor Benefits: If you are married, your benefit will be reduced for a survivor benefit, unless your spouse consented to your election of less than a full survivor annuity. It will also be reduced if a former spouse survivor benefit is required by a court order.

Unpaid Service: If you have creditable civilian service performed before October 1, 1982, during which no retirement deductions were withheld from your salary and for which you have not paid a deposit, your annuity will be reduced. The annual reduction is 10 percent of the total deposit due. Nondeduction service performed on or after October 1, 1982, cannot be used to compute your annuity unless the deposit is made in full.

Refunded Service: If you had creditable civilian service for which you took a refund, but did not pay a redeposit, the service cannot be used in the computation of your annuity.

CSRS Offset: If you had service that was subject to withholding for both the Civil Service Retirement System (CSRS) and Social Security, you are subject to a reduction in your annuity if the Social Security Administration (SSA) can pay you a benefit based on the portion of your Federal service which was under both systems. This is called “CSRS Offset” service.

Cost of Living Adjustments for CSRS Disability Retirees

Your disability annuity will be increased by cost-of-living adjustments (COLA) that occur after you retire. Your first COLA increase will be prorated based on how long you have been retired when that COLA is granted.

Entitlement to Other Benefits-Effect on CSRS Disability Benefit

Social Security Benefits

If you had service that was subject to withholding for both the CSRS and Social Security, you are subject to a reduction in your annuity if the Social Security Administration (SSA) can pay you a benefit based on the portion of your Federal service which was under both systems. This is called "CSRS Offset" service.

Receipt of disability benefits from the Office of Personnel Management (OPM) and total or partial disability benefits from the U.S. Department of Labor, Office of Workers' Compensation Programs (OWCP) at the same time.

Generally, you must decide which benefit is most advantageous for you and elect to receive that one. If you decide you want to receive OWCP benefits, payments from OPM will be suspended. However, if your OWCP benefits stop, you can ask us to pay your CSRS disability benefit. You can receive an OWCP "Scheduled Award" and OPM benefits at the same time.

Early Retirement

Early Optional Retirement

If your agency undergoes a major reorganization, reduction in force, or transfer of function, and a significant percentage of the employees will be separated, or will be reduced in pay, the head of your agency can ask the U.S. Office of Personnel Management (OPM) to permit early optional retirement for eligible employees.

If your agency gets approval to permit early optional retirements, eligible employees will be notified of the opportunity to retire voluntarily.

Discontinued Service Retirement Because of an Involuntary Separation

The term "involuntary separation" means any separation against the will and without the consent of the employee, other than "for cause" for misconduct or delinquency. The most common cause of an involuntary separation is a reduction in force.

Another frequent cause for an involuntary separation is when the location of an office or unit is moved to an area outside the commuting area of the previous worksite*. Employees who decline reasonable offers of other positions are not eligible for discontinued service annuities.

Exception: If, when you accepted your current position, you were placed under a general mobility agreement whereby you would be subject to geographic reassignment, you would not be eligible for discontinued service annuity rights if your position is moved to an area outside the commuting area.

If your agency:

- Makes you a reasonable offer and you choose to decline the offer and resign, you will not qualify for discontinued service retirement
- Separates you by adverse action procedures for not complying with a directed reassignment to a position that is a "reasonable offer"
- Your separation would not be qualifying for discontinued service

Reasonable Offer

- Written offer of another position in your agency and commuting area for which you are qualified
- Which is no more than two grades or pay levels below your current grade or pay level

Commuting Area

Geographic area that usually constitutes one area for employment purposes. It includes any population center (or two or more neighboring ones) and the surrounding localities in which people live and reasonably can be expected to travel back and forth daily in their usual employment.

Early Retirement *(continued)*

Eligibility Requirements for Early Optional Retirement and Discontinued Service Retirement Because of an Involuntary Separation

Age	Years of Service
50	20
Any Age	25

At least 5 years of your service must be civilian service, and you must have been employed under the Civil Service Retirement System for at least 1 year out of the last 2 years preceding retirement.

Annuity Computation

CSRS Annuity Formula	
If retired under the special provision for firefighters, law enforcement officers, or nuclear materials couriers	
Years of Service	**What You Receive**
First 5 years of service	1.5 percent of your high-3 average salary for each year
Second 5 years of service	**Plus** 1.75 percent of your high-3 average salary for each year
For all years of service over 10	2 percent of your high-3 average salary for each year.

Reductions in Annuity

Your annuity will be reduced if:

- You retire before age 55 (unless you retire for disability or under the special provisions for law enforcement officers, air traffic controllers, and firefighters). Your annuity will be reduced by one-sixth of 1 percent for each full month (2 percent a year) you are under age 55
- You didn't make a deposit for service performed prior to October 1, 1982, during which no deductions were taken from your pay (non-deduction service after that date is not used in the computation of benefits if the deposit is not paid)
- You didn't make a redeposit of a refund for a period of service that ended before March 1, 1991
- You provide for a survivor
  - To provide a full survivor benefit for your current or former spouse, your annuity will be reduced by 2.5 percent of the first $3,600, plus 10 percent of the annuity over $3,600
  - To provide a survivor annuity for a person who has an "insurable interest" in you, your annuity would be reduced from 10 to 40 percent, depending on the difference in your age and the age of the person named

Voluntary

Eligibility is based on your age and the number of years of creditable service and any other special requirements. In addition, you must have served in a position subject to CSRS coverage for one of the last two years before your retirement. If you meet one of the following sets of requirements, you may be eligible for a voluntary immediate retirement benefit. An immediate annuity is one that begins within 30 days after your separation.

Type of Retirement	Minimum Age	Minimum Service	Special Requirements
Voluntary (Optional)	62	5	Subject to CSRS coverage for one of the last two years before your retirement.
	60	20	Subject to CSRS coverage for one of the last two years before your retirement.
	55	30	Subject to CSRS coverage for one of the last two years before your retirement.
	50 Any Age	20 25	You must retire under special provisions for air traffic controllers or law enforcement and fire-fighter personnel. Air traffic controllers can also retire at any age with 25 years of service as an air traffic controller. Subject to CSRS coverage for one of the last two years before your retirement.
	50 Any Age	20 25	Your agency must be undergoing a major reorganization, reduction-in-force, or transfer of function determined by the Office of Personnel Management. Your annuity is reduced if you are under age 55. Subject to CSRS coverage for one of the last two years before your retirement.

Deferred

If you are a former Federal employee who was covered by the Civil Service Retirement System (CSRS), you may be eligible for a deferred annuity at age 62.

Age and Service Requirement for Deferred Retirements

You are eligible for a deferred annuity if you meet the following age and service requirements:

Type of Retirement	Minimum Age	Minimum Service	Special Requirements
Deferred	62	5 years of civilian service	Covered by the CSRS law for at least 1 year out of the last 2 years preceding the final separation on which your entitlement is based.
			Did not receive a refund of retirement deductions covering your final period of service

Health Benefits and Life Insurance Coverage

If you receive a deferred annuity, you are not eligible to continue any health benefits, life, dental, and/or vision insurance coverage you had while employed.requirements:

Commencing Date of Deferred Retirement

The deferred annuity commences on your 62nd birthday, no matter when you apply.

Survivor Benefits

If you are married when your annuity begins, it will be computed with a reduction to provide maximum survivor benefits (55% of your unreduced annuity) for your spouse upon your death. You can elect to provide a partial survivor benefit (less than 55% of your unreduced annuity) or no survivor benefits; however, you must get your spouse's consent to elect either of these options. You can also elect a survivor annuity for a former spouse or an insurable interest survivor benefit.

Computation of Deferred Benefit

Your deferred annuity is based on the length of service and high-3 average salary in effect when you separated from Federal service. In the years between the date of separation and age 62, the average salary is not adjusted by any intervening cost-of-living adjustments. Your accrued and unused sick leave balance at the time of your separation is not creditable for eligibility or computation purposes in a deferred retirement.

Applying for Deferred Benefit

Form to Use: Use OPM Form 1496A, Application for Deferred Retirement, to apply for deferred retirement benefits under the Civil Service Retirement System.

When to Apply: Send your application to OPM approximately 60 days before

Deferred *(continued)*

your 62nd birthday. Send your completed application to:

U.S. Office of Personnel Management Retirement Operations Center

Post Office Box 45 Boyers, PA 16017

If You Die Before Applying for a Deferred Annuity

No survivor annuity is payable to a former employee's spouse, former spouse, or children if the former employee has title to a deferred annuity but dies before reaching age 62, or reaches age 62, but dies before filing an application for CSRS retirement. The only benefit payable in either case would be a lump-sum payment of the former employee's retirement contributions, without interest.

Service Credit

Civilian Service

If you:

- Performed CSRS service where no retirement deductions were withheld from your pay
- Received a refund of your retirement deductions

You can pay that money back to the retirement system. Payment generally affects the amount of your retirement.

If retirement deductions were not withheld during the period of service:

You can pay a deposit for the service. A deposit is the payment of the retirement deductions, plus interest that would have been withheld from your pay if you had been covered by the CSRS during a period of employment when retirement deductions were not withheld from your salary. You are not required to make this type of payment.

Deposit for Service Ending before October 1, 1982 and Covered by CSRS:

You can make a deposit for creditable CSRS service you performed before October 1, 1982 during which retirement deductions were not withheld from your pay. You will receive retirement credit for all of this service whether or not you pay the deposit. However, unless you pay the deposit in full, your annual benefit will be reduced by 10 percent of the deposit amount due at retirement. Also, any annuity due your surviving spouse will be reduced proportionately. Interest is charged from the midpoint of periods of service through the date of the bill. If full payment is received within 30 days after the bill is issued, no additional interest is charged. Otherwise, interest will be computed after each payment at the rate of 3 percent for the interval since the most recent payment you have made. You may pay installments of $50 or more, but paying the full amount minimizes further interest charges. After each payment you will get an updated statement.

Deposit for Service Ending on/after October 1, 1982 and Covered by CSRS:

You can make a deposit for creditable CSRS service you performed on or after October 1982 during which retirement deductions were not withheld from your pay. Unless you pay the deposit in full, you will not receive credit for the service in the computation of your annuity. Interest is charged from the midpoint of periods of service and is compounded annually. Interest is charged through December 31 of the year before the year in which the bill is being issued. If full payment is received by December 31 of the year in which the bill is issued, no additional interest will be charged. If not, interest will be computed once each year as of December 31 based on the unpaid balance at that time. Interest is applied at the rates described in the table below.

Service Credit *(continued)*

Year	Percentage Rate	Year	Percentage Rate	Year	Percentage Rate
Before 1948	4%	1997	6.875%	2010	3.125%
1948 – 1984	3%	1998	6.75%	2011	2.75%
1985	13%	1999	5.75%	2012	2.25%
1986	11.125%	2000	5.875%	2013	1.625%
1987	9%	2001	6.375%	2014	1.625%
1988	8.375%	2002	5.5%	2015	2%
1989	9.125%	2003	5%	2016	2%
1990	8.75%	2004	3.875%	2017	1.875%
1991	8.625%	2005	4.375%	2018	2.125%
1992	8.125%	2006	4.125%	2019	2.75%
1993	7.125%	2007	4.875%	2020	2.25%
1994	6.25%	2008	4.75%	2021	1.375%
1995	7%	2009	3.875%	2022	1.375%
1996	6.875%	2010	3.125%	2023	1.875%

If retirement deductions were withheld from your pay and later refunded to you:

You can pay a redeposit for the service. A redeposit is the repayment of retirement deductions that were previously withheld and refunded to you, plus interest.

Redeposit Service Ending before March 1, 1991 and Covered by CSRS:

You can repay the refund you received for periods of civilian service ending before March 1, 1991 during which retirement deductions were withheld from your pay and later refunded to you. However, you will receive credit for all of this service whether or not you make the payment (unless you retire under the disability provisions of the law).

Your annuity will be subject to permanent actuarial reduction based on the amount of redeposit and interest due and your age at retirement. The actuarial reduction will not be applied to any annuity due your surviving spouse. You can avoid the reduction by repaying the refund.

If the refund was paid before October 1, 1982, interest is charged up through the billing date. If full payment is received within 30 days after the bill is issued, no additional interest will be charged. Otherwise, interest will be computed after each payment at the rate of 3 percent for the interval since the most recent payment.

If the refund was paid on or after October 1, 1982, interest is compounded annually and charged through December 31 of the year before the year in which this bill is being issued. If full payment is received by December 31 of the year in which this bill is issued, no additional interest will be charged. If not, interest will be computed once each year as of December 31 based on the unpaid balance at that time. Interest is applied at the rates described in the table.

Service Credit *(continued)*

Redeposit Service Ending on/after March 1, 1991 and Covered by CSRS:

You can repay the refund you received for periods of civilian service ending on or after March 1, 1991, during which retirement deductions were withheld from your pay and later refunded to you. Unless you pay the redeposit in full, you will not receive credit for this service in the computation of your annuity. Consequently, your annuity, as well as any annuity due your surviving spouse, will be reduced. For refunds paid on or after October 1, 1982, interest is compounded annually and charged through December 31 of the year before the year in which this bill is being issued. If full payment is received by December 31 of the year in which this bill is issued, no additional interest will be charged. If not, interest will be computed once each year as of December 31 based on the unpaid balance at that time. Interest is applied at the rate described in the table.

Procedures for Paying a Deposit or Redeposit

You should apply to make a payment by completing a SF 2803, Application to Make Deposit or Redeposit. If you are within six months of retirement, you should submit your request to make the deposit or redeposit at the same time you submit your application for retirement. You can use a form or letter to do this. OPM will notify you of any amounts due so you can decide whether or not to make the payment. OPM cannot, however, authorize your regular annuity payments until they have your decision about the payment.

Military Service

Credit for Military Service performed after 1956:

If you were first employed in a civilian position	Credit for Post-1956 Military Service
Before 10/1/82	When you become eligible for Social Security benefits, your military service after 1956 will be used in the computation of your Social Security. Unless you pay a deposit, prior to retirement, for your military service after 1956, it will no longer count toward your CSRS retirement benefit. However, if you pay the deposit, no adjustment to your retirement benefit is made at age 62.
On or After 10/1/82	You will not receive any credit for post-1956 military service unless you pay a deposit for the service before you stop working.

When you become eligible for Social Security benefits, your military service after 1956 will be used in the computation of your Social Security. Unless you pay a deposit, prior to retirement, for your military service after 1956, it will no longer count toward your CSRS retirement benefit.

Service Credit *(continued)*

Amount of Deposit

Dates of Service	Amount of Deposit Due
Through 12/31/98	7.00% of military basic pay
1/1/99 through 12/31/99	7.25% of military basic pay
1/1/00 through 12/31/00	7.40% of military basic pay
1/1/01 to the present	7.00% of military basic pay

Procedures for paying the post-1956 military service deposit

You must make the payment before you stop working for the government. You should ask your Human Resources Office (HRO) or Shared Service Center (SSC) for help in determining whether to make this payment. They can provide personalized assistance because they have your employment records.

Military under USERRA

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) covers persons who perform duty in the "uniformed services". This includes not only the armed forces and the reserves but also the National Guard and the commissioned corps of the Public Health Service. These individuals are entitled to be restored to the position they would have attained had the employee not entered the uniformed service, provided the employee:

- Gave the agency advance notice of departure except were prevented by military circumstances
- Was released from uniformed service under honorable conditions
- Served no more than a cumulative total of 5 years
- Applies for restoration within the appropriate time limits

As with all military deposits, the agency must handle military deposits under USERRA. The military deposit may be calculated based on military earnings or alternatively, the deposit can be calculated based on the retirement deductions the employee would have paid on the civilian salary during the same period, if it is less.

Former Employees

If you leave your Government job before becoming eligible for retirement Options:

- You can ask that your retirement contributions be returned to you in a lump sum payment
- If you have five or more years of civilian service, you can wait until you are retirement age to apply for monthly retirement benefit payments. This is called a deferred retirement

Former Employees *(continued)*

If you get a refund of your retirement contributions now, you will no longer be eligible to receive monthly payments when you reach retirement age, unless you are later reemployed subject to the Civil Service Retirement System or the Federal Employees Retirement System. Refer to information about retirement eligibility.

Contribution Refund

If you are leaving your Federal job and want a refund of your retirement contributions, complete SF 2802, Application for Refund of Retirement Deductions.

Interest on Lump Sum Payments

For service under the Civil Service Retirement System, interest will be included in the refund of those contributions if you have more than one but less than five years of service. Interest is paid at three percent.

Taxes and Refund Payments

Your retirement contributions are not taxable, but interest included in the payment is taxable. You should contact the Internal Revenue Service and IRS Publication 721 for additional tax information.

Rollovers to IRAs or Employer Sponsored Plans

You can roll over lump sum payments representing your retirement contributions, including voluntary contributions, and applicable interest. An eligible payment can be paid either to you or directly to an individual retirement account or other employer sponsored plan. Your choice will affect the amount of taxes you owe. OPM is required to withhold Federal income tax from taxable payments over $200 at the rate of 20 percent. However, you may choose to take all or part of these payments in a direct rollover to an individual retirement account or an employer-sponsored retirement plan that accepts rollovers. The taxable portion can be rolled over into the Thrift Savings Plan. If you make this election, OPM will not withhold the Federal income tax from the taxable payments.

You can open an individual retirement account to receive a direct rollover. You must contact the individual retirement account sponsor to find out how to have your payment made to your account. If you are unsure of how to invest your money, you may wish to temporarily establish an account to receive the payment. However, you may wish to consider whether or not you may move any or all of the monies to another account at a later date without penalties or limitations.

If you choose to have the payment made to you and it is over $200, the taxable portion is subject to the 20 percent Federal income tax withholding. The payment is taxed in the year in which it is received unless within 60 days after receiving it, you roll it over to an individual retirement account or retirement plan that accepts rollovers. You can roll over up to 100 percent of the eligible distribution, including the 20 percent withholding. To do so, you must replace the 20 percent withholding within the 60 day period. You will be taxed on any amount that you do not roll over. For example, if you roll over only the 80 percent of the distribution, you will be taxed on the remaining 20 percent.

OPM will not withhold any amount for Federal income tax if your total taxable lump sum is less than $200. They will request a rollover election when you are eligible for a payment of $200 or more.

Thrift Savings Plan

The Thrift Savings Plan (TSP) is a retirement savings and investment plan for Federal employees. Congress established the TSP in the Federal Employees' Retirement System Act of 1986. The purpose of the TSP is to provide retirement income. The TSP offers Federal employees the same type of savings and tax benefits that many private corporations offer their employees under 401(k) plans.

In the civilian component of the TSP, employees covered by the Federal Employees' Retirement System (FERS) and the Civil Service Retirement System (CSRS) can contribute to the TSP. The participation rules are different for FERS and CSRS employees.

The TSP is a defined contribution plan. The retirement income that you receive from your TSP account will depend on how much you (and your agency, if you are a FERS employee) have contributed to your account during your working years and the earnings on those contributions.

The contributions that you make to your TSP account are voluntary and are separate from your contributions to your FERS Basic Annuity or CSRS annuity.

Difference Between FERS Basic Annuity and the CSRS Annuity

In contrast to the TSP, the FERS Basic Annuity and the CSRS annuity are defined benefit programs. This means that the benefits you receive from your FERS or CSRS annuity are based on your years of service and your salary, rather than on the amount of your contributions and earnings. Most of the contributions to these annuity programs are made by your agency on your behalf. Your contributions are mandatory and the amount you contribute is defined by law. Your contributions are made by payroll deductions that your agency takes automatically from your paycheck. The FERS Basic Annuity and the CSRS annuity are administered by the Office of Personnel Management.

On the other hand, your TSP contributions are voluntary, and in an amount you choose. Your TSP benefits are in addition to your FERS or CSRS annuity. If you are a FERS employee, the TSP is an integral part of your retirement package, along with your FERS Basic Annuity and Social Security. If you are a CSRS employee, the TSP is a supplement to your CSRS annuity.

TSP Administration

The Federal Retirement Thrift Investment Board administers the TSP and contracts with various private sector companies to provide record keeping services. Your employing agency also plays an important role in TSP administration.

The Board

The Federal Retirement Thrift Investment Board is an independent Government agency. The five members of the Board and the Executive Director are required by law to manage the TSP prudently and solely in the interest of the participants and their beneficiaries. The Employee Thrift Advisory Council is a statutorily created Advisory Committee comprising representatives of employee organizations, unions, and the uniformed services. The

TSP Administration *(continued)*

Council provides advice to the Board and the Executive Director on matters relating to the investment policies and administration of the TSP.

Money in the TSP and earnings on that money cannot be used for any purpose other than providing benefits to participants and their beneficiaries and paying TSP administrative expenses.

The assets of the TSP are called the Thrift Savings Fund. The financial statements of the Thrift Savings Fund are required by law to be audited annually (The Plan year is the calendar year). You may obtain the audited financial statements from this Web site.

Your Agency

Your agency is responsible for determining your retirement coverage and reporting to the record keeper the dollar amount of contributions to your account each pay period. Your agency may distribute TSP materials and may answer your questions about the TSP (or refer you to the website). While you are employed, your agency is your primary TSP contact.

You should compare the information on the earnings and leave statements that you receive from your agency with your TSP participant statements to ensure that your agency has provided the record keeper with correct and up-to-date information about your contributions. As long as you are employed by the Federal Government, your agency must also provide the record keeper with the personal information that is necessary to maintain your account — for example, your date of birth and your address. If you need to correct your TSP account information, including your address, contact your personnel office. Your agency is responsible for correcting errors in your personal information and in contribution (and loan payment) amounts.

Record Keeping Services

The Board has contracted with a number of private sector companies to provide record keeping services for the TSP, which include maintaining the accounts of TSP participants, processing requests for benefits, and providing call center support.

The TSP processes contribution allocations, interfund transfers, loans, withdrawals and transfers of funds into the TSP from other plans, as well as participants' designations of beneficiaries. The TSP is also your primary contact after you separate from Federal service.

TSP Features

FERS Participants

You may elect to contribute any dollar amount or percentage (1 to 100) of your basic (including locality) pay. However, your annual dollar total cannot exceed the Internal Revenue Code limit. Once you are eligible, you will receive:

- Agency Automatic (1%) Contributions
- Agency Matching Contributions
- Immediate vesting in Agency Matching Contributions and vesting – generally in 3 years – in Agency Automatic (1%) Contributions

CSRS Participants

You may elect to contribute any dollar amount or percentage of basic pay. However, your annual dollar total cannot exceed the Internal Revenue Code limit. You do not receive any agency contributions.

All Participants

The TSP offers the following:

- Immediate employee contributions
- Before-tax (traditional) or after tax (Roth) savings and

TSP Features *(continued)*

tax-deferred investment earnings

- Daily valuation of accounts
- Low administrative and investment expenses
- Transfers or rollovers of eligible distributions into the TSP
- A choice of investment funds:
  - Government Securities Investment (G) Fund
  - Fixed Income Index Investment (F) Fund
  - Common Stock Index Investment (C) Fund
  - Small Capitalization Stock Index Investment (S) Fund
  - International Stock Index Investment (I) Fund
  - Lifecycle (L) Funds
- Ability to make contribution allocations
- Ability to make interfund transfers
- Loans from your own contributions and attributable earnings while you are in Federal service
- Catch-up contributions for participants age 50 or older
- In-service withdrawals for financial hardship or after you reach age 59 1/2
- Portable benefits and a choice of withdrawal options after you separate from Federal service
- Ability to designate beneficiaries for your account balance
- Protection of spouses' rights for loans and withdrawals and recognition of qualifying court orders
- A website with general account information, capability for requesting interfund transfers and contribution allocations, the option of initiating (and in some cases completing) loan and withdrawal requests online, up-to-date TSP materials and information, online participant statements, and calculators. (Separated employees can also update their address information on the web.)
- An automated telephone service (the Thrift Line) for account information and certain transactions

The TSP and FERS

The TSP is one of the three parts of your retirement package, along with your FERS Basic Annuity and Social Security. Participating in the TSP does not affect the amount of your Social Security benefit or your FERS Basic Annuity.

The money that you save and earn through your TSP account will provide an important source of retirement income. The TSP is especially important to FERS employees because the formula used to compute your FERS Basic Annuity is less generous than the formula used to compute the CSRS annuity.

As a FERS employee, you may begin contributing to the TSP when you are first hired by the Federal Government. Once you become eligible for agency contributions, you will receive Agency Automatic (1%) Contributions whether or not you are contributing to your account. If you are contributing to your account, you will also receive Agency Matching Contributions at that time. These matching contributions are a principal benefit of the TSP.

Your TSP benefits can significantly increase your retirement income, but starting early is important. If you start to contribute to your TSP account as soon as you are hired, the earnings in your account will compound over a longer period of time. Also, if you make certain to contribute your own money early on, you will not miss out on Agency Matching Contributions once you become eligible for them.

The TSP and CSRS

If you are a CSRS employee, the TSP can provide you with a source of retirement income in addition to your CSRS annuity. Although you do not receive any agency contributions, you do have the benefit of deferring taxes on your contributions and on the earnings in your TSP account.

Contributions Add Up

You can contribute as little as one dollar per pay period. Even small savings add up over time. If you are a FERS employee and put in only $10 each biweekly pay period, following is the amount you could have in your TSP account in 25 years. This is in addition to your Agency Automatic (1%) Contributions, which you get whether you contribute or not:

Your $10 biweekly contributions	**$6,500**
Your agency's matching contributions	**$6,500**
Earnings (assuming 7% a year)	**$22,360**
Your total in 25 years	**$35,360**

This example assumes that $10 is no more than three percent of your basic pay each pay period, so it is matched dollar-for-dollar. If you are a FERS employee, you should be aware that if you contribute less than five percent of your basic pay, you will not receive all of the agency matching money for which you are eligible, and this money cannot be recaptured.

TSP Withdrawals

The purpose of the TSP is to provide you with a source of income for your retirement. It is not a savings account that can be withdrawn at any time. If you think you may need your money in the near future, or if you do not have other funds saved for emergencies, you will want to consider your other needs carefully before deciding how much to contribute to the TSP. However, while you are still employed by the Federal Government, the TSP loan program can give you access to money that you have contributed to your account. In addition, participants who are age 59 1/2 or older can make up to four partial withdrawals from their TSP accounts each year while they are in Federal service. In-service withdrawals for reasons of financial hardship are also available. In-service withdrawals are restricted by law, and the funds withdrawn are taxable. In addition, if you make a financial hardship withdrawal and you are younger than 59 1/2, you will likely be subject to an early withdrawal penalty tax. Other conditions and restrictions apply.

TSP Eligibility

Employees who are covered by FERS and CSRS, as well as members of the uniformed services (and certain other employees), can participate in the TSP. FERS employees are generally those hired on or after January 1, 1984. CSRS employees are generally those hired before that date who did not convert to FERS.

If you are a FERS or CSRS employee, you can participate in the TSP regardless of whether you work full time or part time. If you do not know your retirement coverage, contact your agency personnel office. The TSP does not have the authority to make or correct retirement coverage determinations.

Contribution Rules

If you are a FERS employee:

You can elect to contribute to the TSP at any time; there is no waiting period. The amount you can contribute changes annually. You may elect to contribute any dollar amount or percentage (1 to 100) of your basic pay. However, your annual dollar total cannot exceed the Internal Revenue Code limit.

Your agency will start to contribute Agency Automatic (1%) Contributions to your account after you have completed the mandatory waiting period.

If you are contributing your own money, you will also receive Agency Matching Contributions after you have completed the mandatory waiting period. See the chart below to determine when you will be eligible. correct retirement coverage determinations.

If you are a CSRS employee:

You may elect to contribute any dollar amount or percentage of basic pay. You do not receive any agency contributions. However, your annual dollar total cannot exceed the Internal Revenue Code limit.

Agency Contributions

Among civilian TSP participants, only FERS employees are entitled to receive agency contributions. If you are a FERS employee, your agency makes two different types of contributions to your TSP account as part of your FERS benefits. These contributions are not taken out of your pay, nor do they increase your pay for income tax or Social Security purposes. First, when you become eligible for agency contributions, your agency will automatically contribute to your TSP account an amount equal to 1 percent of your basic pay each pay period. These are your Agency Automatic (1%) Contributions.

You will receive these contributions whether or not you contribute your own money to your TSP account. Second, if you are contributing to your TSP account, your agency also makes Agency Matching Contributions once you are eligible for them. If you do not contribute your own money, you will not receive Agency Matching Contributions.

Matching contributions apply to the first five percent of pay that you contribute each pay period. Your contributions are matched dollar-for-dollar on the first three percent of pay you contribute each pay period and 50 cents on the dollar for the next two percent of pay. Your agency will not match the contributions that you make

Agency Contributions *(continued)*

above five percent of your pay. However, you will still benefit from before-tax savings and tax-deferred earnings on those contributions.

The fact that your agency adds to your contributions will make your TSP account grow faster. Your Agency Automatic (1%) and Matching Contributions can add up to five percent of your basic pay. Here's how it works:

	Your Agency Puts In		
You Put In	**Automatic (1%) Contribution**	**Agency Matching Contribution**	**Total Contribution**
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%
Amounts that you contribute above 5% are not matched			

All FERS and CSRS employees:

- You can start, change, stop, or resume TSP contributions at any time
- Your payroll contributions will begin the first full pay period after your agency accepts your TSP Election Form (TSP-1) (or an electronic version of TSP-1, if your agency uses one)
- You can contribute either a percentage of your basic pay each pay period or a fixed dollar amount. If you make your contributions as a percentage of your pay, the amount of your contributions will automatically increase as you receive pay raises
- You can change the allocation of your TSP contributions among the different investment funds at any time by visiting **tsp.gov** or using the Thrift Line
- If you are age 50 or older, you can make catch-up contributions to your account. The catch-up contribution is limited to a set dollar amount which can change each year
- Contributions must be made through payroll deductions. However, you may also transfer or roll over eligible funds from a traditional IRA or an eligible employer plan into your TSP account
- You must be in pay status (that is, receiving basic pay) to make contributions and to receive agency contributions for a pay period. Therefore, if you are not in pay status, your contributions (and your agency contributions, if you are a FERS employee) will stop until you begin receiving pay once again

Basic pay for TSP purposes is defined by law. It includes locality pay. It consists of the same elements of pay used to calculate the deduction for your FERS or CSRS annuity. The definition does not include awards, bonuses, buyout incentives, or many forms of premium pay. Contact your personnel office if you have questions about your basic pay for TSP purposes.

Signing Up

You can sign up to contribute to the TSP at any time. Your contributions will begin no later than the first full pay period after your agency accepts your election. If you are a FERS employee, your agency contributions will begin once you satisfy the mandatory waiting period.

Rehired Employees

If you are a rehired FERS or CSRS employee who had a break in service of 31 or more full calendar days, you can sign up to contribute to the TSP immediately upon reemployment. If you are a rehired FERS employee, your Agency Automatic (1%) and Matching Contributions (if you are contributing your own money) will begin as follows:

- If you were previously eligible to receive agency contributions, your agency contributions will begin immediately
- If you were not previously eligible to receive agency contributions, your agency contributions will begin according to the chart above

If you are a rehired employee who had a break in service of less than 31 full calendar days and you were previously contributing to the TSP, your contributions and, if you are FERS, your agency contributions will resume upon rehire. To ensure that your contributions resume properly, you should tell your new agency that you were previously contributing to the TSP. If you were not previously contributing to the TSP, you may elect to contribute at any time. You can also change the amount of your contributions at any time

You should also inform your new agency if you have any outstanding TSP loans so your loan payments can resume. You must make up, from your own funds, any loan payments you have missed

If you are rehired as a CSRS employee and you choose to change your retirement coverage to FERS, your Agency Automatic (1%) Contributions will begin the same pay period the transfer to FERS becomes effective. You may elect to contribute your own money at any time. If you do, your contributions and your Agency Matching Contributions will begin no later than the pay period that begins after your agency receives your election.

Agency Transfers

If you transfer to another agency, your new agency should continue your contributions and loan payments, if any, without interruption. To avoid any delay, you should notify your new personnel office that you have been contributing to the TSP; you should also notify them if you have a loan.

Contributions

To start contributing to the TSP, ask your personnel office for the TSP Election Form (TSP-1), go to **tsp.gov**, or use your agency's electronic version if one is available. Complete the form to show whether you want to contribute a percentage of your basic pay or a fixed whole dollar amount each pay period.

Your agency will deduct the amount you choose from your pay each pay period and will continue to do so until you submit another election to stop or change the amount.

Changing Contributions

If you want to change the amount of your TSP employee contributions, submit Form TSP-1 to your agency (or use your agency's electronic version, if your agency has one.)

Stopping Contributions

You can stop contributing your own money to the TSP at any time by completing the appropriate sections on Form TSP-1 and submitting it to your agency. Your contributions will stop at the end of the pay period in which your agency accepts the form. You may resume contributions at any time.

If you are a FERS employee, your Agency Automatic (1%) Contributions will continue, and will be invested according to your last contribution allocation on file with the TSP. Agency Matching Contributions will end when your contributions end.

Even if you are not contributing, you can change the way your future Agency Automatic (1%) Contributions are invested by making a contribution allocation on **tsp.gov** or the Thrift Line.

Investment Election

An investment election specifies the way contributions to your account will be invested among the TSP funds. The investment election applies to all future contributions, as well as loan payments and transfers (or rollovers) of funds from other plans into the TSP. It does not affect the money already in your account. (To change the way your existing account balance is invested, you must make a reallocation.)

To specify the way you want your contributions to be invested, use **tsp.gov** or the Thrift Line. If you have not previously invested in the F, C, S, I, or L Funds, you must acknowledge the risk of investing in these funds before you can proceed with your investment election. Follow the instructions and enter the percentages you want invested in each fund each pay period. Percentages must be stated in one percent increments and must add up to 100 percent. Whether you are using the website or the Thrift Line, be sure to follow the instructions to confirm the percentages or your allocation will not be effective.

The TSP Web site and the Thrift Line are the most efficient ways of making an investment election.

Catch-Up Contributions

"Catch-up contributions" are supplemental tax-deferred employee contributions that employees age 50 or older (or turning age 50 during the calendar year) can make to the TSP beyond the maximum amount they can contribute through regular contributions. In 2023, the IRS has set the catch-up contribution limit at $7,500.

To be eligible to make catch-up contributions, you must be:

- Age 50 or older during the calendar year in which the catch-up contributions are made (even if you become age 50 on December 31 of that year)
- Currently employed and in pay status
- Making regular contributions to a civilian or uniformed services TSP account (or both), and/or an equivalent employer plan (such as a 401(k), 403(b), or 408 plan), that will equal the maximum allowed by the Internal Revenue Service (IRS), which is $22,500 for 2023. You are not eligible to make catch-up contributions (or regular contributions) within 6 months of making a financial hardship withdrawal from the TSP

TSP Beneficiary Designation

To designate beneficiaries to receive your account in the event of your death, login to TSP's "My Account" to designate beneficiaries for your account. Your account will be distributed after your death according to the order of precedence required by law.

Your beneficiary designation will not be valid unless it is received by the TSP record keeper on or before the date of your death. Follow the instructions carefully. The TSP may not be able to honor an improperly completed form; mistakes may make your form invalid.

Mention of your TSP account in your will (or another document, such as a prenuptial agreement) has no effect on the disposition of your account after your death. A will is not a substitute for a designation of beneficiary form. You can designate your estate or a trust to receive your TSP account.

You should review your designation of beneficiary whenever your personal situation changes (for example, as a result of marriage, birth or adoption of a child, or divorce). Your participant statement, or in "My Account" will show whether you have a designation on file and the date of your most recent designation. To cancel or change your designation of beneficiary, update it in TSP's "My Account".

Rollovers and Transfers into the TSP

Whether you are an active or separated Federal employee you can transfer or roll over money from a traditional IRA or an eligible employer plan into your existing TSP account. If you are separated from service, you can transfer money into your TSP account unless you have already made a full withdrawal of your account or are receiving monthly payments.

The TSP can accept funds that were distributed from a traditional IRA or an eligible employer plan (or its designated financial institution). The money that you are transferring or rolling over must be considered an "eligible distribution" under the Internal Revenue Code. If you are considering a transfer, you should check with the administrator of the plan from which you wish to transfer the money (or your tax advisor) to ensure that the funds are eligible for transfer or rollover.

Note: The TSP can only accept transfers that consist of before-tax money. The money will be subject to income tax when it is eventually paid to you from your TSP account.

There are two methods for transferring money into your TSP account from a traditional IRA or eligible employer plan. If you have not received the money from your former plan, but wish to have the IRA or plan transfer money directly to the TSP (also referred to as a "direct rollover"), login to TSP's "My Account" or contact the ThriftLine.

If you receive the money from your former plan before you decide to transfer it into the TSP, you will have 60 days to roll over the funds, beginning on the date you receive the funds. After that, the distribution will not be eligible for rollover. You may roll over all or part of the distribution. However, because your former plan should have withheld the appropriate amount of taxes when it sent you the distribution, you will have to make up the difference from your own funds if you want to roll over the entire amount.

To roll over the distribution you received into the TSP, visit **tsp.gov/tsp-basics/move-money-into-tsp/.**

These funds will be treated as employee contributions, but they will not be subject to the IRS annual elective deferral limit. Once the money is deposited in your account,

Rollovers and Transfers into the TSP *(continued)*

it will be available for the same purposes as the rest of your employee contributions. It will not be segregated from the rest of the money in your account, and any elections (e.g., interfund transfers, withdrawals, etc.) you make will apply to your entire account balance, including the transferred money.

In addition, these funds will be subject to the same rules and regulations as any other employee contributions to the TSP. For example, spouses' rights rules affect all the money in your account, including money that was transferred or rolled over from an IRA or plan. The money can also be subject to a court order against your account.

Withdrawing from Your TSP Account

You are eligible to withdraw your account when you separate from Federal service. You can also leave all or a portion of your account in the TSP and withdraw it later. However, there are limits on how long you can leave your money in the TSP.

Your agency payroll office must report your separation and its effective date to the TSP record keeper before your withdrawal can be processed. It usually takes several weeks for agencies to send separation data to the record keeper.

TSP Withdrawal Options, available at: **tsp.gov/withdrawals-in-retirement/**

TSP Withdrawal Options

The TSP provides several ways to withdraw your account:

- Partial distribution of a specified amount
- Total distribution
- Annuity purchase
- Installments (automatic withdrawals)

You can request a distribution using one of these methods or any combination of them that you choose. There is no limit to the number of distributions you can take after you retire, though processing times limit you to no more than one distribution request every 30 calendar days.

Partial Distribution

You can request a distribution of part of your TSP account. Partial distributions must be at least $1,000. There is no limit to the number of partial distributions you can take, but will not process more than one in any 30-day period. You are allowed to take a partial distribution of your account even if you are currently receiving installments.

Total Distribution

You can request to receive a total distribution of your entire TSP account balance if you want to take all of your money out of the TSP. Once processed, your TSP account balance will be $0 and you will no longer be able to move money into the TSP from eligible plans. If you are receiving installments when you request a total distribution, your installments will stop.

Annuity Purchase

You can use all or part of your TSP account to purchase a life annuity through the outside vendor. Purchasing an annuity means that you pay now to receive monthly payments for the rest of your life (or, if you choose a joint life annuity, for the life of you and your joint annuitant).

You no longer manage the money you use to purchase a life annuity. You give up your money and control of it in exchange for guaranteed lifetime monthly payments. An annuity purchase is not like your TSP account, an IRA, a CD, or a bank account. If you choose the annuity option, TSP will purchase an annuity for you from the annuity provider. Once purchased, your annuity is not part of your TSP account, and you cannot change or cancel the purchase.

Withdrawing from Your TSP Account

Installments (Automatic Withdrawals)

You can choose to receive payments from your account monthly, quarterly (every three months), or annually.

You can also do a combination. See "Withdrawals in Retirement and the Distributions" booklet for details. You will also want to consider the tax consequences.

You can make a partial withdrawal of your account in a single payment.

You can make a full withdrawal of your account using any one, or any combination, or the following methods:

- A single payment
- A series of monthly payments
- A life annuity
- A combination of any of the above three full withdrawal options is called a "mixed withdrawal"

You can have the TSP transfer all or part of any single payment or, in some cases, a series of monthly payments, to a traditional IRA or eligible employer plan. You may also be eligible to transfer to a Roth IRA; however, rules and restrictions apply. TSP strongly encourages you to consult a tax advisor regarding your eligibility for, and the tax consequences of, making a Roth transfer.

Note: If you are a FERS employee and you have not met the TSP vesting requirements when you leave Federal service, you are not entitled to the Agency Automatic (1%) Contributions in your TSP account (or their earnings). This money will be forfeited to the TSP. Also, if your account balance is less than $5 when you separate, it will automatically be forfeited to the TSP. You may subsequently request that this amount be paid to you.

If your account balance is less than $200 when you separate, the TSP will send you a check for your account balance. Spouses' rights will apply to all full withdrawals of more than $3,500.

Automatic Cashout

If your account balance is less than $200 (but at least $5) after you separate, the TSP will pay your account balance to you automatically in a single payment. You cannot choose another withdrawal option or elect to leave your money in the TSP. If you choose to roll over these funds, you have 60 days from the date you receive the payment to complete your rollover and preserve the tax-deferred status of these funds.

Spousal Notification for Withdrawals

If you are a married FERS participant and you are making a partial withdrawal, your spouse must consent to your withdrawal, regardless of the amount you are withdrawing. If you are a married CSRS participant, the TSP must notify your spouse of any partial withdrawal.

If you are a married participant and you are making a full withdrawal, spouses' rights will apply to your withdrawal choice only if your account balance is more than $3,500. If you are a married FERS participant, your spouse (including a legally separated spouse) has the right to a joint and survivor annuity with a 50 percent survivor benefit, level payments, and no cash refund feature, unless your spouse waives their right to that annuity. If you are a married CSRS participant, the TSP must notify your spouse of any full withdrawal election.

Requesting a Withdrawal

You can request a withdrawal from your TSP account at **tsp.gov/withdrawals-in-retirement/** or contract the ThriftLine.

You should be aware that you may not be able to complete your request online. For example, if you are a married FERS participant, you will not be able to complete your request for a partial withdrawal because you will need your spouse's consent for that withdrawal. If you request a full withdrawal and your account balance is more than $3,500, your spouse must waive their right to the prescribed annuity. You will not be able to complete a request to transfer your withdrawal to a traditional IRA or eligible employer plan

Withdrawing from Your TSP Account *(continued)*

because a transfer requires certification from your financial institution or plan.

Do not submit your withdrawal request to your agency. Only the TSP can process a withdrawal request. After you leave Federal service, the TSP will be your primary contact for information about your account and about your withdrawal.

Your withdrawal check will be mailed to you at the address in your TSP account record. If your address is not correct and you are separated, change your address on “My Account” or contact the ThriftLine.

Generally, it takes several days from the time the TSP receives all of your information until you (or your financial institution) receive the money for your withdrawal. Also, if you choose to receive your withdrawal by EFT instead of by check, you may get your money sooner. It could take longer to receive your money if your agency has not notified the TSP of your separation from Federal service or you have an outstanding TSP loan.

Withdrawals for Rehires

A separation from Federal service for TSP purposes is at least 31 days. If you plan to be rehired after 31 days, but you want to withdraw your account using one of the options for a separated participant, you must submit your completed withdrawal request to the TSP soon enough for your withdrawal to be paid before you return to Federal service. If you are rehired and your break in service is less than 31 full calendar days, you are not eligible to withdraw your account as a separated TSP participant. However, in-service withdrawals are available under limited circumstances.

Taxes on TSP

Generally, all the money from your TSP account is paid directly to you (or to your checking or savings account via EFT) will be taxed as ordinary income for Federal tax purposes in the year (or years) in which you receive it. This is because your contributions to your TSP account are taken out of your pay before your Federal income tax withholding is computed and contributions are therefore not included as income. Also, the earnings on your TSP account are not subject to Federal income tax while your money is in the TSP.

The method you choose for receiving your withdrawal determines when you must pay the income tax. Because some withdrawal methods defer your receipt of the money from your account, your tax liability may also be deferred.

Changes to a Withdrawal

Once your withdrawal has been processed, you cannot return it or change the withdrawal option. However, if you elected to receive all or a portion of your account in a series of monthly payments, you can change your election to a final single payment or change where your payments are being sent. You can start and stop recurring (monthly, quarterly, or annual) withdrawals at any time – limited to once every 30 days.

Use TSP’s “My Account” to request a change to your monthly payments.

How Long Can You Leave Your Money in the TSP?

If you do not want to withdraw your account when you leave Federal service, you can leave your entire account balance in the TSP.

Required Minimum Distributions (RMD)

If you have separated from service, the IRS requires that you receive a certain portion of your account balance beginning at a specified age. See **tsp.gov/taking-money-from-your-account/#required-minimum-distributions-rmd**. This portion, known as a “Required Minimum Distribution,” is based on your life expectancy. If you do not make a full withdrawal or begin monthly payments as required, the TSP must send you the required distribution before April 1 of the following year. When you choose a withdrawal option, the TSP will determine whether you are required to have a portion of your account paid directly to you as a

Withdrawing from Your TSP Account *(continued)*

minimum distribution. The TSP will notify you and make any required minimum distribution payments to you as necessary.

The minimum distribution requirement applies only to participants who have separated from Federal service. It does not apply to active employees, regardless of their age.

TSP Account Balance After Death

If you die before your TSP account is completely withdrawn, the balance in your account will be distributed according to your most recent Designation of Beneficiary, if you completed one. If you did not complete the TSP 3 when it was available or the online version, your account will be distributed according to the order of precedence required by law. Check your **TSP "My Account"** or call TSP to learn if you have one on file.

Your survivors need to call the ThriftLine Service Center at **1-877-968-3778** in order for your account balance to be distributed after your death. The **Death Benefits booklet** explains in detail.

If you are a FERS participant and you die before you separate from service, your beneficiaries are entitled to your entire account balance, whether or not you have met the vesting requirement for your Agency Automatic (1%) Contribution. If you die after the TSP purchases an annuity for you, your benefits will be provided according to the annuity option that you selected. If you die while you are receiving your account balance in a series of monthly payments, your beneficiaries will receive the balance of your account in a final single payment.

Payments made directly to spouses of deceased participants are subject to 20 percent mandatory Federal income tax withholding. However, spouses of deceased participants can avoid the mandatory withholding and defer paying taxes on all or part of their payments by having the TSP transfer the payment to a traditional IRA or eligible employer plan (including the spouse beneficiary's existing TSP account).

Spouses of deceased participants may also ask the TSP to transfer all or part of their payment(s) to a Roth IRA, if they meet the eligibility requirements. However, since Roth IRAs accept only after-tax dollars, the payment(s) will be subject to income tax incurred for the year of the transfer. To have benefit payments transferred to a traditional IRA, eligible employer plan, or Roth IRA, the spouse and the IRA or plan administrator must complete Form TSP-13-S-D, Spouse's Election of Payment Method for Death Benefit.

Payments to beneficiaries other than a spouse are subject to 10 percent withholding; this withholding is optional. Non-spouse TSP beneficiaries can also defer paying taxes by transferring their death benefit payments to an "inherited" IRA and, in most cases, liquidating the account withing ten years. This minimizes the tax hit that many non-spouse beneficiaries were subject to before the Pension Protection Act of 2006 was passed. However, the rules governing "inherited" IRAs are complicated, particularly if the deceased participant was past their required beginning date of mandatory distributions. TSP suggests you discuss this benefit with your tax advisor or IRA provider.

Spouses' Rights

What are spouses' rights under the TSP?

The law gives certain rights to your spouse (including your legally separated spouse).

The TSP must take these rights into consideration when you withdraw or borrow from your account. The TSP will take action to prosecute any participant who denies (or attempts to deny) their spouse these rights by, for example, forging the spouse's signature or falsifying the spouse's address.

Spouses' Rights *(continued)*

Borrowing from your TSP account

If you are a married FERS participant, you must obtain your spouse's consent before you can receive a TSP loan. (Your spouse's consent does not make them a cosigner of your loan or obligate them to repay your loan.) If you are a married CSRS participant, the TSP must notify your spouse before your loan is approved.

Making an in-service withdrawal

If you are a married FERS participant, you must obtain your spouses' notarized consent to an in-service withdrawal before the withdrawal can be approved. Spouses of CSRS participants will be notified of any withdrawal.

Making a withdrawal after you separate

If you are making a partial withdrawal after you separate, FERS participants must obtain their spouses' notarized consent before the withdrawal can be approved; spouses of CSRS participants will be notified of the withdrawal.

For a full withdrawal, spouse's rights apply only if your account balance is more than $3,500. In that case, if you are a married FERS participant, your spouse is entitled to a joint and survivor annuity with 50 percent survivor benefit, level payments, and no cash refund feature. If you choose a withdrawal method other than the prescribed annuity, or if you choose a mixed withdrawal, your spouse must waive their right to that annuity. If you are a married CSRS participant and you are making a full withdrawal, the TSP must notify your spouse before you withdraw your account.

Exceptions to Spousal Rights

Under certain limited circumstances, an exception may be granted to the spouses' rights requirements. To apply for an exception, complete Form TSP-16, Exception to Spousal Requirements, and submit it with the required documentation to the TSP at the address on the form. To obtain the Form TSP-16, visit **tsp.gov**.

The following chart summarizes the TSP spousal requirements and exceptions.

Spouses's Rights		
Transaction	**Requirement**	**Exceptions**
Loan	Spouse must give written consent to the loan	Whereabouts unknown or exceptional circumstances
In-Service Withdrawal	Spouse must give notarized written consent to the withdrawal	Whereabouts unknown or exceptional circumstances
Post-Employment Withdrawal (Partial)	Spouse must give notarized written consent to the withdrawal	Whereabouts unknown or exceptional circumstances
Post-Employment Withdrawal (Full)	Spouse is entitled to a joint life annuity with 50% survivor benefit, level payments, and no cash refund feature unless they waive this right. Written consent must be notarized.	Whereabouts unknown or exceptional circumstances

**Spouses' rights apply only to accounts of more than $3,500*

Court Orders

Your TSP account is subject to certain matrimonial court orders and to the enforcement of your legal obligations to make alimony and child support payments or to satisfy judgments against you for child abuse. Matrimonial court orders are court decrees of divorce, annulment, or legal separation, or the terms of court-approved property settlements incident to any court decree of divorce, annulment, or legal separation. In order to be considered qualifying and thus enforceable against the TSP, the order must meet the requirements stated in Board regulations (5 C.F.R. Part 1653).

If the TSP receives a document which purports to be a qualifying order or legal process for the enforcement of back payment of alimony, child support, or a judgment against you for child abuse, your account will be frozen for loans and withdrawals. In order to authorize payment from your account, a qualifying court order must clearly identify your TSP account and must describe the award to be made to your spouse, former spouse, or other party in such a way that the amount can be definitively calculated. Note: If you have two accounts (i.e., as a member of the uniformed services and as a Civilian Federal Employee), the court order must clearly identify the account to which the order/award applies.

Tax Limits on the Contribution Amount to the TSP

The IRS sets an annual limit — the elective deferral limit — on the amount that you can elect to contribute to a tax- deferred retirement plan such as the TSP. The elective deferral limit is adjusted by law each year to take into account increases in the cost of living. The TSP will not accept any contributions that exceed this limit unless you are over age 50, in which case your contributions cannot exceed the sum of the Internal Revenue Code elective deferral limit plus the “catch-up” contribution limit for that year.

If you contribute to the TSP and another tax-deferred plan during the year, your combined contributions to all tax- deferred plans cannot exceed the IRS limit as it applies to your particular combination of plans. (The maximum amount that you can contribute to the TSP and other plans — for example, 401(k), 403(b), and 457 plans — varies.) If you have questions about your situation, you should consult your tax advisor or the IRS.

If you exceed the applicable annual limits because you contributed to more than one plan, you can request a refund of the excess amount from one or more of the plans. The TSP must receive your completed application by March 31 of the year after the excess contributions were made. If you do not ask for the excess amount, you will pay taxes on it twice: once for the year in which you contributed it to the TSP, and again when you withdraw it.

Social Security Benefits

Social Security reaches almost every family, and at some point will touch the lives of nearly all Americans.

Social Security helps not only older Americans, but also workers who become disabled and families in which a spouse or parent dies. Today, about 182 million people work and pay Social Security taxes and over 66 million people receive monthly Social Security benefits.

Most beneficiaries are retirees and their families—about 51 million people.

But Social Security was never meant to be the only source of income for people when they retire. Social Security replaces about 40 percent of an average wage earner's income after retiring, and most financial advisors say retirees will need about 70 percent or more of pre-retirement earnings to live comfortably.

The current Social Security system works like this: when you work, you pay taxes into Social Security. The tax money is used to pay benefits to:

- People who already have retired
- People who are disabled
- Survivors of workers who have died
- Dependents of beneficiaries

The money you pay in taxes is not held in a personal account for you to use when you get benefits. Your taxes are being used right now to pay people who now are getting benefits. Any unused money goes to the Social Security trust funds, not a personal account with your name on it.

Social Security – More Than Just Retirement

Many people think of Social Security as just a retirement program. Although it is true that most of the people receiving Social Security receive retirement benefits, many others get Social Security because they are:

- Disabled
- A spouse or child of someone who gets Social Security
- A divorced spouse of someone getting or eligible for Social Security
- A spouse or child of a worker who died
- A divorced spouse of a worker who died
- A dependent parent of a worker who died

Depending on your circumstances, you may be eligible for Social Security at any age. In fact, Social Security pays more benefits to children than any other government program.

Your Social Security Taxes

The Social Security Administration (SSA) uses the taxes you and other workers pay into the system to pay for Social Security benefits. Currently, you and the agency pay 6.2 percent of pay.

You pay Social Security taxes on your earnings up to a certain amount. That amount increases each year to keep pace with wages.

Medicare Tax

You pay Medicare taxes on all of your wages or net earnings from self-employment. These taxes are used for Medicare coverage.

When you work, 85 cents of every Social Security tax dollar you pay goes to a trust fund that pays monthly benefits to current retirees and their families and to surviving spouses and children of workers who have died. The other 15 cents goes to a trust fund that pays benefits to people with disabilities and their families.

From these trust funds, Social Security also pays the costs of managing the Social Security programs. Of each Social Security tax dollar you pay, less than one penny is spent to manage the program.

The entire amount of taxes you pay for Medicare goes to a trust fund that pays for some of the costs of hospital and related care of all Medicare beneficiaries. Medicare is managed by the Centers for Medicare & Medicaid Services, not Social Security.

Social Security Eligibility

As you work and pay taxes, you earn Social Security "credits." In 2023, you earn one credit for each $1,640 in earnings—up to a maximum of four credits per year. (The amount of money needed to earn one credit goes up every year.)

Most people need 40 credits (10 years of work) to qualify for benefits. Younger people need fewer credits to be eligible for disability benefits or for family members to be eligible for survivors benefits when the worker dies.

Social Security Benefits

Social Security benefits replace a percentage of your earnings when you retire, become disabled or die. SSA bases your benefit payment on how much you earned during your working career. Higher lifetime earnings result in higher benefits. If there were some years when you didn't work, or had low earnings, your benefit amount may be lower than if you worked steadily.

Each year, you may receive or you may create an account at ssa.gov and see your Social Security Statement showing your earnings history and an estimate of the retirement, disability and survivors benefits you and your family may receive based on those earnings.

When you review your Statement, check your earnings history carefully. Make sure all of your earnings are accurate. Be sure to report any errors to Social Security. That is important because your benefits will be based on your lifetime earnings. Your Statement also is useful in helping you plan your financial future.

Social Security Benefits *(continued)*

Full Retirement Benefits

Choosing when to apply for benefits is one of the most important decisions you will make in your lifetime. If you choose to apply when you reach full retirement age, you will receive your full retirement benefits. But if you apply before reaching full retirement age, you will receive reduced benefits for the rest of your life.

If you were born before 1938, you were eligible for your full Social Security benefit on your 65th birthday. In 2003, the age at which full benefits are payable began to increase gradually. The following chart will guide you in determining your full retirement age:

Year of Birth*	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943 – 1954	66

Year of Birth*	Full Retirement Age
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

**If you were born on January 1st of any year you should refer to the previous year*

Note: Although the full retirement age is rising, you should still apply for Medicare benefits within three months of your 65th birthday. If you wait longer, your Medicare medical insurance (Part B) and prescription drug coverage (Part D may cost you more money.

Delayed Retirement

If you choose to delay receiving benefits beyond your full retirement age, your benefit will be increased by a certain percentage, depending on the year you were born. The increase will be added in automatically from the time you reach full retirement age until you start taking benefits or reach age 70, whichever comes first.

Increase for Delayed Retirement

1933-1934	5.5%	11/24 of 1%
1935-1936	6.0%	1/2 of 1%
1937-1938	6.5%	13/24 of 1%

1939-1940	7.0%	7/12 of 1%
1941-1942	7.5%	5/8 of 1%
1943 or later	8.0%	2/3 of 1%

Social Security Benefits *(continued)*

Early Retirement

You may start receiving benefits as early as age 62. SSA reduces your benefits if you start early by about one-half of one percent for each month you start receiving benefits before your full retirement age. For example, if your full retirement age is 66 and six months, and you sign up for Social Security when you're 62, you would only get 72.5 percent of your full benefit.

Note: The reduction will be greater in future years as the full retirement age increases.

Getting Benefits While Working

You can work while you receive Social Security retirement (or survivors) benefits. When you do, it could mean a higher benefit for you in the future. Higher benefits can be important to you later in life and increase the future benefit amounts your family and your survivors could receive. While you are working, your earnings will reduce your benefit amount only until you reach your full retirement age. After you reach full retirement age your benefit amount is recalculated to leave out the month's benefits were reduced or withheld due to your excess earnings.

A formula is used to determine how much your benefit must be reduced:

- If you are under full retirement age for the entire year, $1 is deducted from your benefit payments for every $2 you earn above the annual limit. If you are under your full retirement age in 2023, the limit on your earnings is $21,240. In the year you reach full retirement age, $1 is deducted in benefits for every $3 you earn above a different limit, but earnings are only counted before the month you reach your full retirement age. If you will reach full retirement age in 2023, the limit on your earnings for the months before full retirement age is $56,520
- Starting with the month you reach full retirement age, you can get your benefits with no limit on your earnings

If you are not already receiving benefits, be sure to contact the Social Security Administration at the beginning of the year you reach full retirement age. Even if you are still working, you may be able to receive some or all of your benefits for the months before you reach full retirement age

Note: People who work and receive disability or Supplemental Security Income payments have different earnings rules. They immediately must report all of their earnings to Social Security no matter how much they earn

Retirement Benefits for Widows and Widowers

If you are receiving widow's or widower's benefits, you can switch to your own retirement benefits as early as age 62, assuming your retirement benefit is more than the amount you receive on your deceased spouse's earnings. In many cases, you can begin receiving one benefit at a reduced rate and then switch to the other benefit at the full rate when you reach full retirement age. The rules are complicated and vary depending on your situation, so talk to a Social Security representative at **1-800-772-1213** about the options available to you.

Disability Benefits

If you cannot work because of a physical or mental condition that is expected to last at least one year or result in death, you may be eligible for Social Security disability benefits.

Social Security disability rules are different from those of private plans or other government agencies. The fact that you qualify for disability from another agency or program does not mean you will be eligible for disability benefits from SSA. Having a statement from your doctor indicating you are disabled does not mean you will automatically be eligible for Social Security disability benefits.

People with disabilities, including children, who have little income and few resources, also may be eligible for disability payments through the Supplemental Security Income (SSI) program.

If you become disabled, you should file for disability benefits as soon as possible, because it usually takes several months to process a disability claim. SSA may be able to process your claim more quickly if you have the following when you apply:

- Medical records and treatment dates from your doctors, therapists, hospitals, clinics and caseworkers
- Your laboratory and other test results
- The names, addresses, phone, and fax numbers of your doctors, clinics, and hospitals
- The names of all medications you are taking
- The names of your employers and job duties for the last 15 years

Taxable Benefits

Some people have to 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 their Social Security benefits based on Internal Revenue Service (IRS) rules. See IRS Publication 915. 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 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 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

Benefits for Your Family

When you start receiving Social Security retirement or disability benefits, other family members also may be eligible for payments.

Benefits can be paid to your spouse:

- If they are age 62 or older
- At any age if they are caring for your child (the child must be younger than 16 or disabled and entitled to Social Security benefits on your record)

Benefits also can be paid to your unmarried children if they are:

- Younger than 18
- Between 18 and 19 years old, but in elementary or secondary school as full-time students
- Age 18 or older and disabled (the disability must have started before age 22). If you become the parent of a child (including an adopted child) after you begin receiving benefits, let us know about the child, so eligibility can be determined

Each family member may be eligible for a monthly benefit that is up to half of your retirement or disability benefit amount. However, there is a limit to the total amount of money that can be paid to you and your family. The limit varies, but is generally equal to about 150 to 180 percent of your retirement or disability benefit.

If You Are Divorced

If you are divorced, your ex-spouse may qualify for benefits on your earnings. In some situations, they may get benefits even if you are not receiving them. To qualify, a divorced spouse must:

- Have been married to you for at least 10 years
- Have been divorced at least two years in cases where you have not filed for benefits
- Be at least 62 years old
- Be unmarried
- Depending on the circumstances, not be eligible for an equal or higher benefit based on their own work or someone else's work

Survivors Benefits

When you die, your family may be eligible for benefits based on your work.

Family members who can collect benefits include a widow or widower who is:

- 60 or older
- 50 or older and disabled
- Any age if they are caring for your child who is younger than 16 or disabled and entitled to Social Security benefits on your record

Your children can receive benefits, too, if they are unmarried and:

- Younger than 18 years old
- Between 18 and 19 years old, but in an elementary or secondary school as full-time students
- Age 18 or older and disabled (the disability must have started before age 22)
- Additionally, your parents can receive benefits on your earnings if they were dependent on you for at least half of their support

When to Apply for Benefits

You should apply for benefits about four months before the date you want your benefits to start. To file for disability or survivors benefits, you should apply as soon as you are eligible.

When you apply for benefits, you will be asked for certain documents, which will depend on the type of benefits you are filing for. Providing these documents to quickly will get your benefits paid faster. You must submit original documents or copies certified by the issuing office—SSA cannot accept photocopies.

Do not delay filing an application just because you do not have all of the documents you need. Here is a list of some documents you may need when you sign up for Social Security:

- Your Social Security card (or a record of your number)
- Your birth certificate
- Your children's birth certificates and Social Security numbers (if you are applying for them)
- Proof of U.S. citizenship or lawful immigration status if you (or a child) were not born in the United States
- Your spouse's birth certificate and Social Security number if they are applying for benefits based on your earnings
- Your marriage certificate (if signing up on a spouse's earnings or if your spouse is signing up on your earnings)
- Your military discharge papers if you had military service
- Your most recent W-2 form, or your tax return, if you are self-employed

How Social Security Benefits are Paid

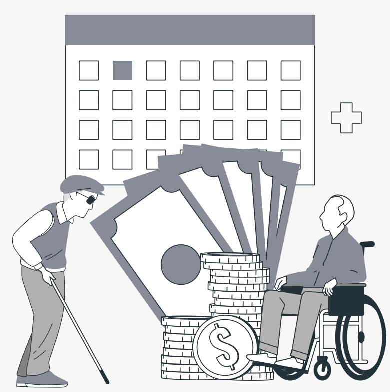
Social Security benefits generally are paid by direct deposit. Direct deposit is a simple, safe and secure way to receive your benefits. Be sure to have your checkbook or account statement with you when you apply. SSA will need that information to make sure your monthly benefit is correctly deposited into your account.

If you don't have an account with a financial institution, or if you prefer to receive your benefits on a prepaid debit card, you can sign up for the Direct Express® card program. With Direct Express®, payments go straight to the card account. Another payment choice you can consider is an electronic transfer account. This low-cost federally insured account lets you enjoy the security and convenience of automatic payments.

Supplemental Security Income (SSI) Program

If you get Social Security benefits, but have limited income and resources (things you own), SSI may be able to help. SSI is financed from general revenues, not Social Security taxes.

SSI makes monthly payments to people who are age 65 or older or who are blind or disabled. Some income and resources are not counted when eligibility for SSI is being determined. Your house and your car, for example, usually are not counted as resources.



Applying for Retirement

To qualify for payments from the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS), you must submit an OPM retirement application.

- "Application for Immediate Retirement (CSRS)," Standard Form (SF) 2801
- "Application for Immediate Retirement (FERS)," Standard Form (SF) 3107
- You should submit an application for immediate retirement as shown below.

Where to Apply

If you are still working;	**Submit it to your employer**
If you have been separated from federal service for more than 30 days, submit your application to the U.S. Office of Personnel Management (OPM).	**U.S. Office of Personnel Management** **Retirement Operations Center** Post Office Box 45 Boyers, PA 16017

Who can receive an annuity?

If you meet the eligibility requirements for a retirement benefit, you are eligible to receive an annuity based on your length of service and your high-3 average salary. The information in your application is used to determine if you are applying for a disability option, a regular or early-out option, or a discontinued service annuity. It is also used to check the service listed on your payroll records.

Application Processing

Who processes your application?

Both the personnel and payroll office in your agency and OPM are responsible for processing your annuity claim. listed on your payroll records.

Can you speed up your processing time?

You can help reduce delays in processing by submitting your application in advance and by making sure your Official Personnel Folder (OPF) is complete. If you submit your paperwork early, your personnel and payroll offices will be able to complete their actions before your retirement date.

Application Processing *(continued)*

How does your HRO or SSC process your application?

Your Human Resources Office or Shared Services Center must take the following actions to process your retirement application:

- Complete the "Agency Check List of Immediate Retirement Procedures," Standard Form 2801, Schedule D (CSRS) or 3107, Schedule D (FERS)
- Prepare and obtain your signature on the "Certified Summary of Federal Service," Standard Form 2801-1 (CSRS) or 3107-1 (FERS)
- Verify any service not fully documented in your OPF; (Note: If documentation is missing, verification may be obtained by contacting federal record centers. If the personnel office is unable to obtain verification, OPM will complete verification upon receipt of your retirement application and records. This process will cause a delay in processing of your claim
- Certify and transfer your coverage under the Federal Employees' Group Life Insurance (FEGLI) program to OPM
- Transfer your enrollment under the Federal Employees Health Benefits (FEHB) program to OPM
- Prepare Standard Form (SF) 50, "Notification of Personnel Action."
- Send all of your retirement materials to your payroll office

What happens after your Human Resources Office or Shared Services Center processes your application?

After your personnel agency takes action, your agency payroll office:

- Authorizes your final paycheck and lump sum payment for unused annual leave
- Prepares your "Individual Retirement Record," Standard Form 2806 (CSRS) or 3100 (FERS) which reflects service, salary history, and annual retirement contributions, final sick leave balance and if a military deposit was paid
- Forwards all retirement documents to OPM

How do I know my claim was processed?

When your retirement application is received, you will be notified and will be provided a civil service claim identification number (a seven-digit number preceded by "CSA"). You must use that identification number whenever you contact OPM about your annuity.

Who should you call if you have any questions about your claim number?

If you need to contact OPM before you receive your claim number, first contact your former payroll office to find the date your records were transferred to OPM. Your payroll office should provide you with the number and date of the Register of Separations and Transfers. You will also need your Payroll Identification Number.

How does the Office of Personnel Management (OPM) process your claim? OPM takes the following steps to process your claim for retirement benefits:

- Obtains missing information from your retirement documents
- Determines your eligibility for an annuity and continued health and life insurance coverages
- Computes the amount of your annuity
- Sends you materials concerning:
  - Your survivor benefit election
  - The alternative form of annuity
  - Rollover to an IRA
  - If you are a FERS MRA+10 retiree, your annuity commencing date
- Authorizes your annuity payment by the Department of the Treasury
- Sends you an annuity statement

Application Processing *(continued)*

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  - Rollover to an IRA
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Application Processing *(continued)*

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- Sends you an annuity statement

How long does it take to process your application?

OPM strives to complete retirement claims within sixty days. If they need additional information from you or your former employing agency, however, your claim could take longer to process. It may take more time than average if, for example, your retirement claim has special circumstances (e.g., applying a specific retirement law, calculating the FERS Annuity supplement, part-time service, evaluating a court order, etc.) It may also take more time if OPM needs to contact you to make a benefit election (e.g., a service credit deposit), or your former employing agency for additional information, or another agency such as the Social Security Administration, if a benefit from them impacts your claim. OPM publishes details monthly on the rolling two-year window of average processing times.

New Retirees

Payments

In most cases, as soon as all your retirement records are received by the Office of Personnel Management (OPM), "interim" payments will begin. These payments represent a portion of your final benefit and are usually made on the first business day of each month. OPM tries to provide you with some income until they finish processing your application.

Generally, interim payments average more than 85 percent of your final net benefit, excluding the annuity supplement and only Federal income tax will be withheld. You may find 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.

Once OPM finishes processing your application, you will receive a personalized statement 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 returns.

Credit for Service without Contributions

Under the Federal Employees Retirement System (FERS), you will be given the opportunity to pay for temporary service prior to January 1, 1989. Under the Civil Service Retirement System (CSRS), if you had service on/after October 1, 1982, for which no contributions were made, OPM will give you the opportunity to pay the contributions and will tell you what difference it makes to your monthly benefit. If you had unpaid service (creditable under CSRS rules) prior to October 1, 1982, OPM does not notify you before they finish processing your application because it generally is not to your advantage to make the payment.

Changing Insurance Coverage

Health Insurance

After you retire, you will still have the opportunity to change your enrollment from one plan to another during an annual open season or with a Qualified Life Event (QLE). You cannot change to another plan simply because you retired. Federal Employees Health Benefits (FEHB) Program qualifies as Minimum Essential Coverage (MEC) and meets the Patient Protection and **Affordable Care Act**.

If you are a Federal annuitant enrolled in the FEHB Program and if you decide to cancel your FEHB enrollment, you should be aware of the consequences of canceling your FEHB enrollment including the following but not limited to:

- You CANNOT re-enroll in the FEHB Program
- You and your enrolled family members will not be eligible to enroll in temporary continuation of coverage or convert to a nongroup contract; in addition, the 31-day extension of coverage does not apply to cancelled enrollments
- If you die, you will not have an FEHB Self and Family enrollment for your survivors to continue, even if they are eligible for a survivor annuity
- You could "cancel" your enrollment to be covered under your spouse's FEHB

Life Insurance

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.

Survivor Benefits Elections, Court-Ordered Benefits, and Children's Benefits

Survivor Benefits

Spousal Survivor Benefits

You may make one of the following elections regarding a benefit to be paid to your spouse in the event of your death:

- No survivor benefit
- Partially reduced annuity
- A fully reduced annuity

These elections may provide the following benefits:

- No survivor benefit
- A full or partial annuity for a spouse
- A full or partial annuity for a former spouse
- A combination of the two

Things to consider when making the election include:

- Your spouse's future retirement benefits based on their own employment
- Other sources of income
- Whether the other sources of income are protected against inflation with Cost-of-Living Adjustments (COLA)
- Your spouse's need for continued coverage under the Federal Employees Health Benefit Program (FEHB)

If you are married when you retire and you chose not to provide a spousal survivor benefit, you must obtain your spouse's consent to the election. The consent form, which is part of the application for retirement, must be completed before a notary public or other official authorized to take oaths.

The spousal consent requirement may be waived if it is shown that the spouse's whereabouts cannot be determined. A request for a waiver must be accompanied by:

- A judicial determination that the spouse's whereabouts cannot be determined
- Affidavits by the employee and two other persons, at least one of whom is not related to the employee, attesting to the efforts made to locate the spouse and the inability to do so. The employee should submit other documentary evidence, such as newspaper stories about the spouse's disappearance

The spousal consent requirement can be waived based on exceptional circumstances if the employee presents a judicial determination that exceptional circumstances warrant a waiver. The order must state that:

- The case before the court involves a Federal employee who is retiring
- The employee's spouse was given notice and an opportunity to be heard in the matter
- The court considered 5 USC 8339(j)(1) and 5 CFR 831.618(b) as it relates to a waiver of the spousal consent requirements for a married Federal employee to elect an annuity without reduction to provide a survivor benefit to a spouse at retirement
- The court finds that exceptional circumstances justify waiver of the spousal consent requirement

There is an opportunity to increase survivor benefits within 18 months after the annuity begins. However, this election may be more expensive than one made at retirement.

Monthly payments to a surviving spouse generally continue for life unless your spouse remarries before age 55. If your spouse was married to you for at least 30 years, they can continue receiving benefits when there is a remarriage before age 55 occurring after January 1, 1995.

Full Survivor Benefit

If you retire under the Civil Service Retirement System (CSRS), the maximum survivor benefit payable is 55 percent of your unreduced annual benefit.

Survivor Benefits *(continued)*

If you retire under the Federal Employees Retirement System (FERS), the maximum survivor benefit payable is 50 percent of your unreduced annual benefit.

Partial Survivor Benefits

Under CSRS, you can elect any portion of your annuity as a basis for the survivor benefit payable in the event of your death.

Under FERS, the partial benefit is 25 percent of your unreduced annual basic annuity.

However, if you elect to provide a survivor annuity that is less than the maximum amount, your spouse's consent is required.

Reduction Calculation

Under CSRS, your annuity is reduction by 2.5 percent of the first $3,600 of the amount you choose as a basis for the survivor annuity, plus 10 percent of any amount over $3,600.

Under FERS, your annuity is reduced by 10 percent for a full survivor annuity or 5 percent for a partial survivor annuity.

Insurable Interest Survivor Benefit Election

If you are in good health and you retire for reasons other than disability, you may elect to provide a survivor annuity to someone with an insurable interest. You can elect to provide an insurable interest benefit and the maximum benefit for a spouse or an ex-spouse. Spousal consent is not required. However, if you are married and elect an insurable interest benefit for your spouse, spousal consent is required.

If you elect an insurable interest benefit, you are responsible for arranging for and paying the cost of any medical examination required to show you are in good health. A report of the medical examination should be included with your retirement application.

You can elect to provide an insurable interest annuity only for someone who has an insurable interest in you. "Insurable interest" is an insurance term which applies to someone who would reasonably expect to derive financial benefit from your continued life.

For survivor benefit election purposes, an insurable interest is presumed to exist if you name as beneficiary of the insurable interest, any of the following individuals:

- A spouse
- A blood or adopted relative closer than first cousins
- An ex-spouse
- A person to whom you are engaged to be married
- A person with whom you are living in a relationship that would constitute a common-law marriage in a jurisdiction that recognizes common-law marriages

If the person named is not one of the above, you should submit affidavits with your retirement application from one or more people with knowledge of the individual's insurable interest. The affidavits should state:

- The relationship between you
- The extent to which the person named is dependent on you
- The reasons why the person named might reasonably expect to derive financial benefit from your continued life

The reduction to provide an insurable interest benefit is computed as follows:

- If the person named is older, the same age, or less than 5 years younger than the retiree, the reduction is 10 percent
- If the person named is 5 but less than 10 years younger than the retiree, the reduction is 15 percent
- If the person named is 10 but less than 15 years younger than the retiree, the reduction is 20 percent
- If the person named is 15 but less than 20 years younger than the retiree, the reduction is 25 percent
- If the person named is 20 but less than 25 years younger than the retiree, the reduction is 30 percent

Survivor Benefits *(continued)*

- If the person named is 25 but less than 30 years younger than the retiree, the reduction is 35 percent
- If the person named is 30 or more years younger than the retiree, the reduction is 40 percent

The insurable interest automatically ends if the insurable interest dies, if you marry the insurable interest and elect to provide a spousal benefit, or if the named person is your spouse and you change your election to provide a spousal survivor benefit.

Changing Election After Retirement

Can you change your election after retirement for a spouse to whom you were married when you retired?

If it is within 30 days of your first regular annuity payment, you may file a new election in writing. You should send the election to:

U.S. Office of Personnel Management Retirement Operations Center
Post Office Box 45
Boyers, PA 16017

- Your first regular monthly payment is the first one paid in an amount other than the estimated amount or the adjustment payment after OPM has computed your regular annuity amount.
- If you change your election to anything other than the maximum, you must obtain your spouse's consent or a waiver of the consent requirement.

After the 30-day period has passed, you can change your election only under the following circumstances.

If it is more than 30 days from the date of your first regular monthly payment, but less than 18 months from the beginning date of your annuity, you may change your decision not to provide a survivor annuity or you can increase the survivor annuity amount. You must request the change in writing at:

U.S. Office of Personnel Management Retirement Operations Center
Post Office Box 45
Boyers, PA 16017

- You must also pay a one-time payment representing the difference between the old and new election amounts. This one-time payment also includes a percentage of your annual benefit. The percentage is 24.5 percent of your annual benefit if you are changing from no survivor benefit to a full survivor benefit or 12.25 percent if you are changing from no survivor benefit to a partial one. Interest is also charged at the rates shown in this table.
- Your written election should include your claim number, the amount of your new survivor election, and your spouse's name, Social Security number, date of birth, and a copy of your marriage certificate.

Survivor Benefits *(continued)*

Providing Survivor Benefits for New Spouse

If you get married after retirement, you can elect a reduced annuity to provide a survivor annuity for your spouse. You must make this election within two years of the date of your marriage if you want to provide a survivor benefit.

Under the Civil Service Retirement System (CSRS), you can elect any portion of your annuity as a basis for the survivor benefit payable in the event of your death.

Under the Federal Employees Retirement System (FERS), a full benefit is 50 percent of your unreduced annual basic annuity and a partial benefit is 25 percent of your unreduced annual basic annuity.

If you remarry the same person to whom you were married at retirement, you cannot elect a survivor annuity greater than the one you elected at retirement.

There will be two reductions in your annuity if you elect to provide the survivor benefit. One will be the reduction to provide the survivor benefit. The first reduction depends the amount you elect for the survivor annuity.

Your annuity is also reduced by a permanent actuarial reduction equal to the difference between the new annuity rate with the survivor benefit and the old one without the survivor benefit since your retirement, plus 6 percent interest. In most cases, the actuarial reduction amount is less than 5 percent of your annuity. The actuarial reduction continues even if the marriage ends.

When you contact OPM, you will be sent a statement describing the cost of the election and ask you to confirm your election.

Military Service and Survivor Benefits

While all military service may potentially be used in the computation of civil service survivor annuity benefits, military service performed after December 31, 1956, is subject to Social Security (FICA) taxes and is primarily creditable for Social Security benefits. However, military service performed after December 31, 1956, can be used for the computation of both the Social Security and civil service annuity benefit if you pay a deposit before retirement.

Using military service to compute the civil service survivor annuity may also be affected by the waiver of military retired pay for civil service retirement purposes. If you are a retiree and have not waived your military retired pay, military service generally cannot be used in the computation of your benefit or that of your survivor's.

If an employee has not waived military retired pay for civil service retirement purposes, and dies while still in Federal service on or after April 25, 1987, military service must be used to compute the CSRS survivor annuity if the military deposit has been paid. However, survivors may elect to exclude such service based on certain factors.

The Civil Service Retirement System (CSRS) Offset Program

Under the CSRS Offset program, a survivor annuity for your spouse is computed in the same manner as a survivor annuity would be computed based on full CSRS coverage. However, under CSRS-Offset, your spouse's annuity may be reduced if they are eligible for Social Security benefits based on your federal service. If they are eligible for Social Security benefits, the civil service annuity is not reduced.

Survivor Benefits for Your Child

You do not have to do anything. Benefits to eligible children are automatically provided by law.

To be eligible, a child must be unmarried, under age 18, and dependent on you. To continue to be eligible for benefits after age 18, a child must be unmarried and a full-time student or incapable of self-support due to a disability which onset before age 18. If your child is either a full-time student, or has a disabling condition that began before age 18, benefits will continue

Survivor Benefits *(continued)*

after age 18 and can continue until age 26 if your child is a full-time student. Children with a disabling condition that began before age 18 can continue to receive benefits as long as the condition continues and the child does not become capable of self-support. Benefits to any child end upon the child's marriage.

Survivor Benefits for Ex-Spouse

If your marriage ends after retirement, you can elect a reduced annuity to provide a survivor benefit for your former spouse. To make an election, you must notify us in writing within two years of the date the marriage ended. You should include a court-certified copy of the decree effecting the dissolution of the marriage, and any property or marital settlement agreement.

Send a certified copy of the court order to:

U. S. Office of Personnel Management Retirement Services Program Court-Order Benefits Branch
Post Office Box 17
Washington, DC 20044-0017

If you were married to the former spouse when you retired and they consented to an election of less than the maximum survivor benefit, you cannot provide a benefit that is larger than your original election. The calculation of the reduction in your annuity to provide the benefit for an ex-spouse is the same as the reduction for a benefit for a spouse.

When you contact OPM, you will be sent a statement describing the cost of the election and ask you to confirm your election.

If you are electing to provide a survivor annuity for an ex-spouse and you remarried, your current spouse must consent to the election.

Court Orders

You have divorced. Is your former spouse eligible for a survivor benefit?

The survivor benefit you elected at retirement is no longer payable. A monthly survivor benefit would be payable to your former spouse after death if one is provided by court order or your new election.

The following conditions must exist for your former spouse to receive a benefit:

- You were married to your former spouse for at least nine months
- You performed at least 18 months of creditable civilian service
- Your former spouse to whom you were married less than 30 years has not remarried before age 55

Your annuity may be reduced if your former spouse was awarded a survivor annuity by a qualifying court order.

CSRS: If you retired on or after May 7, 1985, OPM will honor the terms of a court order that requires you to provide a survivor annuity for an eligible former spouse for a marriage dissolved on or after May 7, 1985. If you are divorced after retirement from a spouse to whom you were married at retirement, OPM will honor the court order to the extent that your annuity was reduced at retirement. If you did not elect a survivor annuity for that person at retirement, your annuity will not be reduced.

If you retired before May 7, 1985, OPM will honor the terms of a qualifying court order that requires you to provide a survivor annuity for an eligible former spouse in connection with a marriage that was dissolved on or after May 7, 1985, but only if you were married to that person at retirement and elected to provide a survivor annuity at that time or you were married to that person at retirement and elected to provide a survivor annuity before May 7, 1985.

Court Orders *(continued)*

Can you provide a survivor annuity payable after your death for your spouse when a court has awarded benefits for an ex-spouse?

Under the Civil Service Retirement System (CSRS), the maximum benefit payable after your death to survivors other than children is 55 percent of your annual benefit. Under the Federal Employees Retirement System (FERS), the maximum is 50 percent. So, the benefit payable to your spouse would equal the difference between the court- ordered benefit for your ex- spouse and the maximum benefit payable. For example, if the court awarded your former spouse a benefit equal to 35 percent of your Civil Service Retirement System (CSRS) annuity, your spouse could only receive a benefit equal to 20 percent.

If your former spouse was awarded the maximum survivor benefit, you can elect a survivor benefit for your spouse on a contingency basis. In this case, your spouse would be paid the survivor benefit upon your death if your former spouse becomes ineligible for the survivor benefit.

If you do not provide a survivor benefit for your spouse, they will not receive a monthly benefit payment after your death. Your spouse would not be able to continue coverage under the Federal Employees' Health Benefits (FEHB) program.

If a court-ordered benefit for a former spouse will prevent a spouse from receiving a benefit that is sufficient to meet anticipated needs, you may want to provide an insurable interest benefit for your spouse.

In order to elect the insurable interest benefit, both you and your spouse must jointly waive the benefit which could be elected as spouse. Your annuity will be reduced to provide the court-ordered benefit and the insurable interest's benefit.

If the ex-spouse loses entitlement to the court-ordered benefit, you can request that the insurable interest benefit be changed to a fully reduced annuity to provide a benefit for the spouse within two years after the ex-spouse loses entitlement.

What benefits can be affected by a court order?

A court order related to your divorce or legal separation agreement can:

- Divide your annuity
- Divide a refund of your retirement contributions made when you leave federal service before retirement
- Permit your ex-spouse to continue health insurance coverage
- Require you to assign your life insurance
- Garnish your annuity to pay alimony, child support, in cases involving child abuse, or for Chapter 13 bankruptcy
- Award life insurance
- Award a survivor benefit

Court Orders *(continued)*

When can a court order require money be withheld from your annuity?

A court order following annulment of marriage, legal separation, or divorce can divide or apportion your annuity. The order must expressly direct OPM to pay a portion of your monthly benefit. The spouse's share must be stated as a fixed amount, a percentage or fraction of your annuity, or by a formula with a readily apparent value. The amount cannot exceed the money payable to you after deductions for taxes and insurance.

A court order may provide for payment of all or part of a refund of your retirement contributions. It may also block the refund payment, but only if the order directs us not to pay the refund and grants a survivor annuity or a portion of your annuity to a legally separated current spouse or former spouse.

Can a court order be modified after you retire or die?

A court order dividing your retirement benefits can be modified by either party at any time. However, survivor annuity benefits cannot be approved based on modifications to a court order made after your retirement or death.

How can you check on the status of your court-ordered benefit?

You should call OPM at **202-606-0222**. If OPM does not have a court order for child support, alimony, or bankruptcy, you can send a facsimile to OPM at **202-606-7958** when a garnishment is involved.

OPM needs a certified copy of the court order and other supporting documents when an apportionment or survivor annuity is involved.

How do you elect a survivor benefit for your former spouse?

Survivor benefit elections for current and/or former spouses can be made only at retirement, or based on a qualifying event after retirement. The applications for retirement provide detailed information and instructions about these elections. If the marriage terminates after retirement, you must contact OPM and tell them that you want to elect to provide a survivor benefit for a former spouse. OPM will send the necessary explanation and forms to elect the benefit if you are eligible to make the election.

How do you comply with a court-ordered survivor benefit for your former spouse?

A divorce, legal separation, or annulment court order may require that an employee or a retiree provide a survivor annuity for a former spouse. OPM will pay based on the court order after a death-in-service or after the death of an annuitant. If the benefit will be based on a court order, employees and retirees [or their former spouses] need to send OPM a court-certified copy of the court order. Send this to:

U. S. Office of Personnel Management
Retirement Services Program Court-Order Benefits Branch
Post Office Box 17
Washington, DC 20044-0017

If you are still working for the federal government, you should also provide a copy of the court order to your personnel or human resources office. All court orders involving garnishments or allotments of your payments must be sent to the address given above.

Court Orders *(continued)*

When will benefits to your former spouse end?

A former spouse survivor annuity and an apportionment are two distinct benefits payable to a former spouse. The former spouse annuity is payable after the death of an employee or retiree. An apportionment is based on a portion of the retiree's gross or net annuity and is generally payable during the period of retirement. In order to qualify for one or both benefits, the court order must be specific in the type of benefit awarded.

A former spouse survivor annuity terminates:

- In accordance with the terms of the court order
- Upon remarriage before age 55
- Death of the retiree or the former spouse

A portion of a retiree's annuity stops at the earliest of:

- The date specified in a court order which requires termination
- The last day of the first month before OPM receives a court order that invalidates, vacates or sets aside the court order submitted by the former spouse
- The last day of the first month after OPM receives an amended court order
- The last day of the first month before the death of the retiree
- The last day of the month before the former spouse's death, unless the order provides for continuation of the apportionment

Who is covered under your family health insurance coverage?

Your family enrollment covers yourself, your spouse, and your eligible unmarried children under age 26.

Can your former spouse continue health insurance coverage?

Yes, but not under your family enrollment. There are two possible options for your former spouse to remain enrolled. First, all former spouses are eligible for a Temporary Continuation of Coverage enrollment that lasts for 36 months. Second, former spouses eligible for a monthly court-ordered benefit (either a portion of your monthly benefit, or a survivor benefit upon your death) are eligible for former spouse Federal health insurance. You may wish to review the health benefits information in the **Attorney's Handbook** or view additional information about Health Insurance.

Can your former spouse receive your life insurance?

Yes, there are several ways to provide for payment of life insurance benefits to your former spouse, as follows:

File an SF 2823, Designation of Beneficiary form, Office of Federal Employees' Group Life Insurance Program with the OPM naming your former spouse to receive all or a percentage of your insurance proceeds. A designation can be cancelled at any time as long as the form is received by OPM before your death.

Assignment of Insurance: You may assign some or all of your life insurance to your former spouse. However, an assignment of insurance is permanent and not irrevocable. A court order filed after July 22, 1998 can direct that the individual make an irrevocable assignment to their former spouse. To assign your life insurance, you must complete form **RI 76-10, Assignment of Federal Employees' Group Life Insurance**. An assignment automatically cancels an individual's prior designation of beneficiary. After making an assignment, you cannot designate a beneficiary. The right to designate beneficiaries transfers to the assignee. In addition, the right to cancel or reduce insurance transfers to the assignee. If you own more than one type of coverage, you must assign all the insurance because you cannot assign only a portion of the coverage. Only Option C-Family Optional coverage cannot be assigned.

Court Order received in OPM on or after July 22, 1998. The order must be received in OPM prior to the death of the insured. The court can order

Court Orders *(continued)*

that a former spouse is named as beneficiary in the divorce decree, annulment, or legal separation. A certified copy of the decree must be received by the employing agency for active employees on/after July 22, 1998. For retirees, the court order must be received by that date. By law, a court order on file before the above effective date is not valid for designating a former spouse as beneficiary. Any orders which are filed before July 22, 1998 and designate a former spouse as beneficiary of Office of Federal Employees' Group Life Insurance will not be honored.

How can you make sure your life insurance is paid to whom you designate?

When you die, the Office of Federal Employees' Group Life Insurance (OFEGLI) will pay life insurance benefits in a particular order, set by law:

If you assigned ownership of your life insurance, OFEGLI will pay benefits in the following order of precedence:

- First to the designated beneficiary(ies) designated by your assignee(s), if any
- Second, if there is no such beneficiary, to your assignee(s)

If you did not assign ownership and there is a valid court order on file, OFEGLI will pay benefits in accordance with that court order.

If you did not assign ownership and there is no valid court order on file, OFEGLI will pay benefits in the following order of precedence:

- First, to the beneficiary you designated
- Second, if there is no such beneficiary, to your widow or widower
- Third, if none of the above, to your child or children, with the share of any deceased child distributed among the descendants of that child (a court will usually have to appoint a guardian to receive payment for a minor child)
- Fourth, if none of the above, to your parents in equal shares or the entire amount to your surviving parent
- Fifth, if none of the above, to the executor or administrator of your estate
- Sixth, if none of the above, to your other next of kin as determined under the laws of the State where you lived

You need to keep your designated beneficiaries' addresses current. Failure to do so may mean that your beneficiary cannot be located and therefore benefits will not be paid to that person. The preferred way is to file a new Designation of Beneficiary when a beneficiary's address changes. A new address cannot be added directly to the Designation of Beneficiary form itself, since any cross outs, erasures, or alterations in your form may make it invalid.

Benefit Adjustments

Cost of Living Adjustments

Your benefits will increase as the cost of living increases annually. Cost-of-Living Adjustments (COLAs) are effective each December first. The adjustment appears in your January payment on the first business day of the month, which is when your benefit for December is paid. Federal Employees Retirement System (FERS) and FERS Special COLA are not provided until age 62, except for disability, survivor benefits, and other special provision retirements. Also, under FERS, if you have a CSRS component, the component is subject to the CSRS COLA.

How COLAs are Determined

The U.S. Department of Labor calculates the change in the Consumer Price Index (CPI) for urban wage earners and clerical workers from the third quarter average of the previous year to the third quarter average for the current year.

For CSRS, the increase percentage is applied to your monthly benefit amount before any deductions, and is rounded down to the next whole dollar.

For FERS or FERS Special benefits, if the increase in the CPI is 2 percent or less, the COLA is equal to the CPI increase. If the CPI increase is more than 2 percent but no more than 3 percent, the COLA is 2 percent. If the CPI increase is more than 3 percent, the adjustment is 1 percent less than the CPI increase. The new amount is rounded down to the next whole dollar.

To get the full COLA, a retiree or survivor annuitant must have been in receipt of payment for a full year. If not, the increase is prorated under both plans. Prorated accounts receive one-twelfth of the increase for each month they received benefits. Cost-of-Living Adjustments were first prorated in April 1982. Adjustments to benefits for children are never prorated.

FERS and FERS Special COLAs are not provided until age 62, except for disability, survivor benefits, and other special provision retirements. FERS disability retirees get the adjustment, except when they are receiving a disability annuity based on 60 percent of their high-3 average salary.

Also, under FERS, if you have a CSRS component, the component is subject to the CSRS COLA calculation.

Note: A benefit will not be increased if it would cause the annuitant to receive payments in excess of any cap amount specified by law.

Other Adjustments

You have military service after 1956. Will you continue to receive credit for the service after you become eligible for Social Security?

When you become eligible for Social Security, your military service after 1956 will be used in the computation of your Social Security. Unless you paid a deposit, prior to retirement, for your military service after 1956, it will no longer count toward your retirement benefit. However, if you did pay the deposit, no adjustment to your retirement benefit is made at age 62.

You are receiving CSRS offset benefits. What will happen to your benefit when you become eligible for Social Security?

If at age 62 you are eligible for Social Security, they will recompute your retirement benefit to “offset” any part of your Social Security benefit that is based on your years of Federal service under the offset plan.

You are receiving a Federal Employees Retirement System (FERS) disability benefit. Will your benefit ever change?

If you were under 62 when your disability benefit began, and were not eligible for a voluntary immediate benefit, your benefit will be recomputed after you have been retired for 12 months. The recomputed annuity will be 40

Other Adjustments *(continued)*

percent of your high-3 average salary minus 60 percent of your monthly Social Security benefit, or your earned benefit, whichever is higher.

At age 62, your benefit is recomputed as though you had continued working until age 62. (Your average salary is increased by all FERS Cost-of-Living Adjustments paid while you were disabled.)

You are receiving a disability benefit. Can your benefit be stopped?

Yes. If you are under age 60, your benefit will stop if:

- You are found to be medically recovered from your disabling condition
- In any calendar year your income from wages and self-employment is at least 80 percent of the current rate of basic pay from the position you retired from (This is also known as a restoration to earning capacity.)
- You are reemployed in the Federal service in a position equivalent to what you held at retirement (This is called administratively recovered)

If your disability benefit stops, can it ever be reinstated?

Yes. If your disability benefit stopped because you were found recovered either medically or administratively, your benefit can resume only if the disability recurs and you do not exceed the 80 percent earnings limitation. If your disability benefit stopped merely because you exceeded the earnings limitation, your benefit can resume effective the first of the year after you no longer exceed the 80 percent earnings limit.

What happens to your life insurance when you turn 65?

It depends on what you elected at the time of your retirement on the SF 2818 Continuation of Life Insurance Coverage.

You must elect one of the three reduction schedules described above when you retire. Regardless of which reduction schedule you elect, if you separate before age 65, until you are 65 you must also pay the same premium as employees for the Basic life insurance you continue into retirement.

The amount of *Option A - Standard insurance* is $10,000 at retirement. If you have this coverage, it will begin to reduce by 2 percent per month or $200, beginning the second month after your 65th birthday or your retirement date, whichever is later, until it reaches 25 percent of the face value or $2,500. OPM will withhold premiums for Option A insurance from your annuity through the end of the month in which you are 65, unless you elect to cancel this coverage.

All annuitants with *Option B - Additional insurance* as of April 24, 1999, or later, are eligible to make an Option B reduction election. Those who are 65 or older at retirement will hear from OPM shortly after retirement. OPM will contact annuitants who retired before age 65 shortly before their 65th birthday. At that time, the annuitant may elect either Full Reduction or No Reduction for each separate multiple of Option B. For example, a person with five multiples may elect No Reduction on two multiples, while the three remaining multiples reduce fully.

If you elect Full Reduction, effective the first day of the second month after your 65th birthday or your retirement date, whichever is later, your Option B full-reduction multiples will reduce by 2 percent of the face value per month for 50 months, at which time this coverage will end. OPM will withhold premiums for this coverage from your annuity through the month in which you reach age 65. If you elect to continue some or all of your Option B multiples with No Reduction, when you are 65 or at retirement, whichever is later, OPM will adjust the withholding for your Option B coverage to reflect the number of multiples you decided to retain at No Reduction. Any other multiples will start to reduce as described above.

All annuitants who have *Option C - Family insurance*, and whose annuity commencing dates are April 24, 1999, or later, are eligible to make an Option C reduction election. Those who are 65 or older at retirement will hear from us shortly after retirement. OPM will contact annuitants who retired before age 65 shortly before their 65th birthday. At that time, the annuitant may elect either Full Reduction or No Reduction for each separate multiple of Option C. For example, a person with five multiples may elect No Reduction on two multiples, while the three remaining multiples reduce fully.

If you elect Full Reduction, or if you separated for retirement before April 24, 1999, effective the first day of the second month after you reach age 65 or your retirement date, whichever is later, your Option C full-reduction multiples will reduce by 2 percent of the face value per month for 50 months, at which time this coverage will end. OPM will withhold premiums for this coverage from your annuity through the month in which you reach age 65. If you elect to continue some or all of your Option C multiples with No Reduction OPM will adjust the withholding for your Option C coverage to reflect the number of multiples you decided to retain at No Reduction. Any other multiples will start to reduce as described above.

What happens to your retirement benefit if you go back to work for the government?

Generally, if you are receiving a regular retirement, it will continue and your salary will be equivalently reduced. But, if you retired for disability or because your job was eliminated, your eligibility for the retirement benefit might end. You can discuss this with your prospective employer or provide us with detailed information about the position so that OPM can let you know if your benefit would stop. OPM needs to know the title, grade, salary, tour of duty, and retirement coverage provided by the position you are considering.

If your retirement benefit ends, your health benefits coverage as a retiree stops as well. You can enroll for health benefits where you are employed. Your life insurance as a retiree stops without a right to convert to an individual policy. Your eligibility for life insurance coverage will be the same as any other new employee.

Death Benefits

To report a death of someone who receives benefits from OPM, you can call OPM at **1-888-767-6738**, contact them online (Report Death of Annuitant), email retire@opm.gov, or write to U.S. Office of Personnel Management, Retirement Services Program, Post Office Box 45, Boyers, PA 16017-0045

If you are reporting the death of someone who receives benefits, please provide the full name of the deceased and date of death, as well as the Civil Service Active (CSA) or Civil Service Family (CSF) claim number, if known, and Social Security number. You should also include your name, address, and telephone number. When OPM receives the report that someone who receives benefits has died, OPM will stop annuity payments and ask survivors who may be eligible for benefits to apply. In many cases, OPM can start monthly payments to an eligible surviving spouse based on the records on file.

Payments made to a retiree after the date of their death are not negotiable. In addition, survivors may not be eligible for the full amount of such payments. Therefore, the Department of the Treasury will reclaim all direct deposit payments made after the date of death from the financial institution to which they were disbursed. The financial institution will debit the account to which the payments were previously credited. The annuitant's account should remain open until reclamation of any payments is completed.

Uncashed checks payable to the deceased must be returned to the U.S. Department of the Treasury. You should void any uncashed checks by noting the annuitant's date of death on them before returning them. Voided checks should be returned to the address on the envelope and note date of death on the check.

In addition, Benefit Officers can use the OPM website to report the death of an employee and help expedite payments to family members.

Can you receive benefits if you are the surviving spouse of a deceased retiree?

If you are the surviving spouse of a deceased retiree, recurring monthly payments may be made to you if your spouse elected a reduced annuity to provide the benefit. To qualify for the monthly benefit, you must have been married to the retiree for at least nine months. A survivor annuity may still be payable if the retiree's death occurred before nine months if the death was accidental or there was a child born of your marriage to the retiree.

A court order awarding a former spouse a survivor annuity may prevent OPM from paying the portion of the annuity awarded under the court order. However, if otherwise eligible, you may receive the complete annuity if the former spouse loses eligibility for benefits.

If no survivor annuity is payable upon the retiree's death, any remaining portion, representing either the remaining annuity and/or retirement contributions not paid to the retiree, is payable to the person(s) eligible under the order of precedence.

Can you receive benefits if you are an ex-spouse of a deceased retiree?

Recurring monthly payments may be made to the former spouse of a deceased retiree if the retiree elected a reduced annuity to provide the benefit or the benefit is payable under a court order. A former spouse must also meet the nine-month marriage requirement. For additional information about court-ordered benefits, refer to the pamphlet, "Court-Ordered Benefits for Former Spouses," and see family benefits for information about survivor benefit elections.

Are recurring monthly benefits payable to the children of a deceased retiree?

Unmarried children who are dependent upon the retiree may receive recurring monthly benefits. Children are considered dependent if they:

- Were born within marriage to the retiree

Death Benefits *(continued)*

- Are an adopted child who meets all of the following conditions
- They [the child] with the deceased retiree
- The deceased filed a petition to adopt the child
- The child was adopted by the surviving spouse after the retiree died
  - o Is a stepchild or recognized child born out out-of-wedlock who was living with the retiree in a parent and child relationship when the retiree died
  - o Is a recognized child born out-of-wedlock for whom a judicial determination of support has been obtained

OPM considers the child dependent if there is proof that the deceased made regular and substantial contributions to the child's support.

Can you receive benefits if you are the surviving spouse of someone who died while working for the Federal Government?

If deceased died while covered under CSRS:

If you are the surviving spouse of a deceased employee, recurring monthly payments may be made to you if your spouse completed at least 18 months of creditable civilian service and was covered under CSRS. To qualify for the monthly benefit, you must have been married to the employee for at least nine months. A survivor annuity may still be payable if the employee's death occurred before nine months if the death was accidental or there was a child born of your marriage to the employee.

If deceased died while covered under FERS:

If you are the surviving spouse of a deceased employee who was covered under FERS, you may be eligible for one or both of the following benefits-

Basic Employee Death Benefit

- If the employee who died completed at least 18 months of creditable civilian service
- The employee who died was covered by FERS when they died
- You were married to the employee for at least nine months (if the death was accidental or there was a child born of your marriage to the employee, the nine-month requirement does not apply)

Monthly Benefit

- The employee who died completed at least 10 years of creditable service (18 months of which must be creditable civilian service)
- The employee who died was covered by the Federal Employees Retirement System (FERS) when they died
- You were married to the employee for at least nine months (if the death was accidental or there was a child born of your marriage to the employee, the nine-month requirement does not apply)

If a former spouse was awarded part of the total survivor CSRS or FERS annuity, you will receive the remainder. If the former spouse loses entitlement because of death or remarriage before age 55, you may begin to receive the full annuity.

If the employee's death was job-related, Workers' Compensation benefits may be payable.

Can you receive benefits if you are the ex-spouse of someone who died while working for the Federal Government?

Recurring monthly payments may be made to the former spouse of a deceased employee under a court order. A former spouse must also meet the nine-month marriage requirement.

Death Benefits *(continued)*

Are recurring monthly benefits payable to the child(ren) of someone who died while working for the Federal Government?

Unmarried children who are dependent upon the employee may receive recurring monthly benefits. Refer to previous information provided about the demonstration of dependency for benefit payment purposes.

Are recurring monthly benefits payable to survivors of someone whose death occurs after leaving Federal employment and before retirement?

Under these circumstances, there are no recurring monthly benefits payable under the Civil Service Retirement System (CSRS). If there is an unpaid balance of retirement contributions by the former employee, the person(s) eligible for payment under the order of precedence should complete the "Application for Death Benefits," Standard Form SF 2800 and attach any other forms and/or evidence as the application or circumstances require. Attach a copy of the employee's death certificate and send the application to:

U.S. Office of Personnel Management
Retirement Operations Center
Post Office Box 45
Boyers, PA 16017

If the former employee was covered by the Federal Employees Retirement System (FERS), check information about FERS Death Benefits.

Who will receive any lump sum payments?

If no survivor annuity is payable upon the retiree's death, any remaining portion, representing either the remaining annuity and/or retirement contributions not paid to the retiree, is payable to the person(s) eligible under the order of precedence. If the court assigned payment under a court order, OPM will pay the lump sum in accordance with that court order. Otherwise, OPM will pay benefits under the following order of precedence:

- To the designated beneficiary
- If there is no such beneficiary, to the widow or widower
- If none of the above, to the child or children, with the share of any deceased child distributed among the descendants of that child (a court will usually have to appoint a guardian to receive payment for a minor child)
- If none of the above, to the parents in equal shares or the entire amount to a surviving parent
- If none of the above, to the executor or administrator of the estate
- If none of the above, to the next of kin as determined under the laws of the State where the retiree lived

How do you apply for benefits?

In many cases, after receiving the report of a retiree's death, OPM can start monthly payments to those who are eligible based on the records they have on file. In every case, OPM will tell you what benefits are payable and provide the necessary forms and help to apply for benefits.

If you are the survivor of an employee who has passed

Death Benefits *(continued)*

away while working for the Federal Government, please contact the Human Resources Office (HRO) or Shared Services Center (SSC) of the Federal agency where the employee worked. You should complete the "Application for Death Benefits," Standard Form SF 2800 (CSRS) or Standard Form SF 3104 (FERS) and SF 3104B (FERS) and attach any other forms and/or evidence as the application or circumstances require. Attach a copy of the employee's death certificate and a copy of the certificate of the marriage to the widow or widower. Give the application to the HRO or SSC office. A widow or widower who is claiming benefits for himself or herself and on behalf of children should file one application.

If a lump sum payment is due following the death of someone who passed away after leaving Government service but before retirement, please complete the "Application for Death Benefits," Standard Form SF 2800 (CSRS) or Standard Form SF 3104 and SF 3104B (FERS) and attach any other forms and/or evidence as the application or circumstances require. Attach a copy of the employee's death certificate.

When do your benefits begin?

If you are a widow or widower, your survivor annuity begins on the day after the employee's or retiree's death. If you are eligible for benefits and OPM is unable to pay you because a former spouse is entitled, your annuity would begin the day after the former spouse loses entitlement to benefits.

If you are eligible for a survivor annuity because of your insurable interest in the life of the annuitant, your survivor annuity begins on the day after the annuitant's death.

If you are a former spouse who was awarded a survivor annuity based on court order, your survivor annuity begins to accrue on whichever day is later: the day after the employee's or retiree's death or the first day of the second month after OPM receives a certified copy of the court order along with any additional necessary supporting documentation. If you are a former spouse who is eligible for benefits based on the retiree's election of a reduced annuity to provide the benefit, your annuity begins to accrue the day after the retiree's death. If you are eligible for benefits and OPM is unable to pay you because another former spouse is entitled, your annuity would begin the day after the former spouse loses entitlement to benefits.

If you are a child of a deceased employee or annuitant, your survivor annuity begins to accrue on the day after the employee's or retiree's death.

When do your benefits end?

Survivor annuities are payable through the end of the month prior to the date of the event which caused the loss of eligibility. For example, if the remarriage or other event occurred in April, benefits would end on March 31.

Survivor annuities payable to widows, widowers, and former spouses end if the survivor remarries before age 55 and was not married for at least 30 years to the deceased employee or annuitant. Widows, widowers, and former spouses who remarry after they reach age 55 continue to be eligible for survivor annuity benefits. The survivor annuity for a former spouse who is entitled because of a court order ends if the terms of the court order are satisfied. Insurable interest annuities are payable for the life of the survivor.

If an annuity to a surviving spouse ends for a remarriage, it can be restored if the remarriage ends. Before the benefit can be restored, the survivor must pay back any lump sum payment of retirement contributions, if applicable. Former spouse benefits that end because of a remarriage can never be restored. If you want your annuity restored, write to OPM and include a copy of the decree of divorce, annulment, or death certificate.

Death Benefits *(continued)*

Annuity benefits for children end when the child reaches age 18, marries, or dies. Survivor annuities are payable through the end of the month prior to the date of the event which caused the loss of eligibility. For example, if the child turns 18 on June 29, benefits would end on May 31.

Benefits for student children, stop at the end of the month before the one in which the student child:

- Turns 22
- Marries
- Dies
- Stops attending school;
- Transfers to a school that is not recognized;
- Changes to less than full-time attendance;
- Enters military service or a Government service academy; or
- Fails to submit certification of full-time school attendance.

You must notify OPM immediately if any of the above events occurs to minimize the potential for an overpayment of benefits. Include your claim number and a copy of any appropriate record such as a marriage certificate.

Are children eligible for benefits after age 18?

A child can continue to receive benefits after reaching age 18 if they are incapable of self-support because of a disability which began before age 18. If the disabled child is under age 18 when you apply for benefits, OPM does not need additional information. However, when the child is within three months of reaching age 18 or over age 18, you should send OPM the information described in disabling conditions for children.

A child can also continue to receive benefits until age 22 if they are a full-time student. If the child is listed on the application for benefits as a full-time student who is age 18 or more, OPM will send a request for certification of school attendance to be completed by the person who expects to receive payments and the school. See more information about the eligibility of full-time students. Annuity payments continue between school years unless the break is more than five months or the student does not plan to return to school on a full-time basis. If the student plans to be out of school for more than five months, OPM cannot pay benefits. If they plan to return to school within five months, but does not do so, benefits stop at the end of the month before the change of plans.

How is the amount of your benefits as a surviving spouse determined?

Survivors of Annuitants Under CSRS

The maximum annuity for a spouse who survives an annuitant is 55 percent of the annuitant's benefit before it is reduced by the cost of the election to provide the survivor benefit. Generally, this equals 60 percent of the annuitant's current gross annuity. The survivor annuity will be less if the annuitant elected at retirement to provide less than the maximum benefit.

For example, if an annuitant whose unreduced annual benefit is $31,003.24 elected to provide the maximum benefit, the survivor annuity would equal $31,003.24 x 55 percent = $17,051.78.

Survivors of Employees Under CSRS

The annuity payable to the surviving spouse of an employee whose death occurs while employed with the Federal Government is 55 percent of the annuity computed as if the employee had retired on disability as of the date of their death.

An employee's surviving spouse receives 55 percent of the higher of:

- An annuity computed under the formula based on the employee's service, salary, and sick leave. Refer to **CSRS Computation** for information about the computation of an employee's annuity
- A guaranteed minimum annuity which is the lesser of:
  - Forty percent of the employee's **high-3 average salary**

Death Benefits *(continued)*

- The regular annuity obtained after increasing the employee's length of service by the period of time between the date of the employee's death and the date they would have reached age 60

If, at the date of the employee's death, they were a law enforcement officer or firefighter who had at least 20 years of service as a law enforcement officer, firefighter or nuclear materials courier, the surviving spouse would receive 55 percent of the annuity **computed under the special provisions for law enforcement officers, firefighters and nuclear materials couriers**.

If the employee performed service as a law enforcement officer or firefighter but was not employed in such a capacity at the time of their death; or, if they were a law enforcement officer or firefighter but was not age 50 with at least 20 years of law enforcement service or firefighter service, survivors can receive an annuity computation that is enhanced for the law enforcement or firefighter service on a pro-rated basis.

If, at the date of the employee's death, they were age 50 and had performed at least 20 years of air traffic controller service; or, regardless of age, had at least 25 years of air traffic controller service, the surviving spouse receives 55 percent of an annuity computed under the **special formula for air traffic controllers.**

Survivors of Annuitants Under FERS – Monthly Annuity

The maximum monthly annuity for a spouse who survives a FERS annuitant is 50 percent of the annuitant's benefit before it is reduced by the cost of the election to provide the survivor benefit. The survivor annuity will be 25% of the annuitant's benefit, if the annuitant elected at retirement to provide a partial survivor benefit.

For example, if an annuitant whose unreduced annual benefit is $31,003.24 elected to provide the maximum benefit, the survivor annuity would equal $31,003.24 x 50 percent = $15,501.62.

Survivors of Employees Under FERS – Monthly Annuity

The monthly annuity payable to the surviving spouse of an employee whose death occurs while employed with the Federal Government is 50 percent of the annuity computed as if the employee had retired as of the date of their death.

The monthly annuity payable to the surviving spouse of the employee is 50 percent of the annuity computed under the special formula for law enforcement officers, firefighters, and air traffic controllers if, at the date of death, the employee was:

- Age 50 or older and had at least 20 years of law enforcement, firefighter and/or nuclear materials courier service, or 20 years of air traffic controller service
- Was any age with at least 25 years of law enforcement, firefighter or nuclear materials courier service, or 25 years of air traffic controller service

Basic Employee Death Benefit

Amount of the Basic Employee Death Benefit:

- 50% of the employee's final salary (average salary, if higher)
- $15,000 increased by Civil Service Retirement System (CSRS) cost-of-living adjustments beginning 12/1/87. For deaths on or after 12/1/22, this amount is $40,279.37. It will be updated by future CSRS cost-of-living adjustments

How is the amount of your benefits as a former spouse determined?

A monthly survivor annuity may be payable to a former spouse after the death of the employee or annuitant if it is provided by court order or the annuitant's election.

If the survivor annuity is based on an annuitant's election, the amount is determined in the same manner as the amount due a current surviving spouse. However, if the employee has remarried, this election may only be made if the current spouse consents to it.

The amount of a court-ordered survivor annuity is based on the court order. A court order may provide the maximum survivor annuity, a lesser amount, or a fraction of the maximum survivor annuity.

Survivors of Annuitants Under CSRS

The maximum annuity for a spouse who survives an annuitant is 55 percent of the annuitant's benefit before it is reduced by the cost of the election to provide the survivor benefit. Generally, this equals 60 percent of the annuitant's current gross annuity. The survivor annuity will be less if the annuitant elected at retirement to provide less than the maximum benefit.

For example, if an annuitant whose unreduced annual benefit is $31,003.24 elected to provide the maximum benefit, the survivor annuity would equal $31,003.24 x 55 percent = $17,051.78.

Survivors of Employees Under CSRS

The annuity payable to the surviving spouse of an employee whose death occurs while employed with the Federal Government is 55 percent of the annuity computed as if the employee had retired on disability as of the date of their death.

An employee's surviving spouse receives 55 percent of the higher of:

- An annuity computed under the formula based on the employee's service, salary, and sick leave. Refer to **Civil Service Retirement System (CSRS) Computation** for information about the computation of an employee's annuity
- A guaranteed minimum annuity which is the lesser of:
  - Forty percent of the employee's **high-3 average salary**
  - The regular annuity obtained after increasing the employee's length of service by the period of time between the date of the employee's death and the date they would have reached age 60

If, at the date of the employee's death, they were a law enforcement officer or firefighter who had at least 20 years of service as a law enforcement officer, firefighter or nuclear materials courier, the surviving spouse would receive 55 percent of the annuity computed under the special provisions for **law enforcement officers, firefighters** and nuclear materials couriers.

If the employee performed service as a law enforcement officer or firefighter but was not employed in such a capacity at the time of their death; or, if they were a law enforcement officer or firefighter but was not age 50 with at least 20 years of law enforcement service or firefighter service, survivors can receive an annuity computation that is enhanced for the law enforcement or firefighter service on a pro-rated basis.

If, at the date of the employee's death, they were age 50 and had performed at least 20 years of air traffic controller service; or, regardless of age, had at least 25 years of air traffic controller service, the surviving spouse receives 55 percent of an annuity computed under the **special formula for air traffic controllers.**

Survivors of Annuitants FERS – Monthly Annuity

The maximum monthly annuity for a spouse who survives a FERS annuitant is 50 percent of the annuitant's benefit before it is reduced by the cost of the election to provide the survivor benefit. The survivor annuity will be 25% of the annuitant's benefit, if the annuitant elected at retirement to provide a partial survivor benefit.

For example, if an annuitant whose unreduced annual benefit is $31,003.24 elected to provide the maximum benefit, the survivor annuity would equal $31,003.24 x 50 percent = $15,501.62.

Death Benefits *(continued)*

Survivors of Employees Under FERS – Monthly Annuity

The monthly annuity payable to the surviving spouse of an employee whose death occurs while employed with the Federal Government is 50 percent of the annuity computed as if the employee had retired as of the date of their death.

The monthly annuity payable to the surviving spouse of the employee is 50 percent of the annuity computed under the special formula for law enforcement officers, firefighters, and air traffic controllers if, at the date of death, the employee was:

- Age 50 or older and had at least 20 years of law enforcement, firefighter and/or nuclear materials courier service, or 20 years of air traffic controller service
- Was any age with at least 25 years of law enforcement, firefighter or nuclear materials courier service, or 25 years of air traffic controller service

Amount of the Basic Employee Death Benefit:

- 50% of the employee's final salary (average salary, if higher)
- $15,000 increased by Civil Service Retirement System (CSRS) cost-of-living adjustments beginning 12/1/87. For deaths on or after 12/1/22, this amount is $40,279.37. It will be updated by future CSRS cost-of-living adjustments

How do you claim family life insurance benefits?

If you are enrolled for family life insurance, and a covered member of your family dies while you are a retiree, you can contact OPM in one of three ways:forms and/or evidence as the application or circumstances require. Attach a copy of the employee's death certificate and send the application to:

Call **888-767-6738**;

Send an email to **retire@opm.gov**; or

Write to:
U.S. Office of Personnel Management
Retirement Services Program
Post Office Box 45
Boyers, PA 16017-0045

You can **download** the necessary claim form and instructions or contact OPM and ask that they be sent to you.

Death Benefits *(continued)*

Can you continue health insurance coverage?

If you are the surviving spouse and you receive an annuity, you can continue the deceased's self and family health benefits coverage for all eligible family members. The enrollment will be changed to your name and premiums withheld from your survivor annuity. If you are the only person eligible for coverage, the enrollment will be changed to a self-only plan. After the change, the carrier will send you a new identification card.

If you are a child, you may be eligible to continue health benefits coverage as a dependent family member who was eligible for coverage when the former employee's death occurred. You must be unmarried and under age 26. Generally, you can receive health benefits coverage until you marry or reach age 26, whichever is earlier. You can continue coverage after age 26 if you are incapable of self-support because of a disability that occurred before age 26. Your coverage will continue for 31 days after eligibility ends, unless the enrollment is ending for cancellation. During that time, you may convert the coverage to a private plan.

If you are a former spouse, you may continue health benefits coverage if the following conditions are met. If you receive an annuity, OPM will withhold premiums for the cost of the coverage from your annuity. The conditions are:

- You receive or have future eligibility to a survivor annuity or a portion of the former spouse's benefits
- You were covered as a family member under the Federal Employees' Health Benefits (FEHB) Program at any time during the 18-month period before your marriage to the deceased ended
- Your marriage to the deceased ended while they were employed by or retired from the Federal Government
- You have not remarried before age 55 or remarried before reaching age 55, but after 30 or more years of marriage to the deceased

You must apply for health benefits coverage within 60 days of either the termination of your marriage or notification that you are eligible for an annuity. If your marriage ended after the deceased retired, you should apply to OPM for coverage. If the marriage ended during their Federal employment, you should apply to the Agency where the deceased worked.

Those wishing to temporarily continue coverage after regular coverage ends may wish to obtain **Temporary Continuation of Coverage**.

Can you continue dental and/or vision insurance coverage?

Yes, if you are receiving a survivor benefit.

Will you receive Cost-of-Living Adjustments (COLA)?

Yes. Currently every survivor receives a Cost-of-Living Adjustments (COLA) effective each December first. It will be first reflected in the January payment which pays annuity for the month of December. OPM will send a Notice of Annuity Adjustment showing how much the benefit was increased. See more information about Cost-of-Living Adjustments.

Can you receive the survivor annuity and Social Security benefits?

You may receive a CSRS survivor annuity and Social Security payments. You may receive a FERS survivor annuity and Social Security payments. However, if you are the survivor of a FERS retiree, you cannot receive the FERS survivor supplement if you are eligible for Social Security mother, father or disability benefits based on the deceased annuitant's account. Please contact the local office of the Social Security Administration for information about Social Security benefits.

If you receive Social Security benefits based on your own employment, there may be a reduction in the Social Security benefit you receive based on your deceased spouse's service. Contact the Social Security Administration for more information about the Government Pension Offset.

See the information below about benefits which may be payable to the surviving spouse of a deceased annuitant who was covered by the Civil Service Retirement System (CSRS) Offset program. Under these circumstances, a survivor may be eligible for both a CSRS annuity and Social Security benefits.

Are your benefits figured differently if my spouse, a deceased retiree, was covered by the Civil Service Retirement System (CSRS) Offset program?

The survivor annuity payable to the spouse of a deceased retiree who was covered by the Civil Service Retirement System (CSRS) Offset program is computed in the same manner as the annuity for the spouse of a deceased annuitant with full CSRS coverage.

However, if you are the surviving spouse of a deceased retiree who was covered by CSRS-Offset, your annuity will be reduced if you are eligible upon proper application for Social Security benefits based on the deceased annuitant's Federal service. If Social Security survivor benefits are payable:

- You will receive full Civil Service Retirement System (CSRS) benefits until you become entitled to Social Security benefits, generally at age 60. However, benefits may begin earlier if you are disabled or care for a minor child
- When you become entitled to Social Security survivor benefits, your Civil Service Retirement System (CSRS) survivor annuity will be reduced by the amount of the Social Security benefit that is attributable to the deceased's employment under CSRS-Offset coverage. The reduction begins on the first day of the month in which you are entitled to the CSRS-Offset annuity and eligible, upon application, for Social Security survivor benefits

Will your deceased spouse's military service be used to determine the amount of your survivor annuity?

If you are the survivor of a deceased retiree who was receiving military retired pay at the time of death, credit for military service cannot be included in your survivor annuity unless the retired pay was:

- Based on a disability incurred in combat with an enemy of the U.S. or caused by an instrumentality of war and incurred in the line of duty
- Granted under the provisions of Chapter 1223, title 10, United States Code, for reserve retirement. This is formerly under Chapter 67, title 10

If you are the survivor of a deceased employee who was If you are the survivor of a deceased employee who was receiving military retired pay at the time of death, credit for military will be included in your survivor annuity unless you elect otherwise. However, if the military service is included in your survivor annuity, it will be reduced by the amount of your military survivor's benefit, excluding children's benefits. receiving military retired pay at the time of death, credit for military will be included in your survivor annuity unless you elect otherwise. However, if the military service is included in your survivor annuity, it will be reduced by the amount of your military survivor's benefit, excluding children's benefits.

Can you receive more than one annuity?

You may receive a survivor annuity and a separate benefit that is based on your own service. Generally, if you are the surviving spouse of more than one retiree, you must elect one of the benefits. OPM cannot pay you two survivor annuities. However, under certain circumstances, it is possible for a widow or widower to receive more than one survivor annuity simultaneously. If, after age 55, you marry a Federal employee and you are again widowed, you may be eligible to receive annuities based on the service of both of your spouses.

Does employment income affect your survivor annuity?

Generally, your income from employment with the Government or any other employer will not affect your survivor annuity.

Death Benefits *(continued)*

What payments can you roll over?

You can roll over lump sum payments representing the deceased's retirement contributions and applicable interest.

An eligible payment can be paid either to you or directly to an individual retirement account or other employee sponsored plan. Your choice will affect the amount of taxes you owe.

Federal income tax will be withheld from taxable payments over $200 at the rate of 20 percent. However, you may choose to take all or part of these payments in a direct rollover to an individual retirement account or an employer- sponsored retirement plan that accepts rollovers. The taxable portion can be rolled over into the Thrift Saving Plan. If you make this election, OPM will not withhold the Federal income tax from the taxable payments.

You can open an individual retirement account to receive a direct rollover. You must contact the individual retirement account sponsor to find out how to have your payment made to your account. If you are unsure of how to invest your money, you may wish to temporarily establish an account to receive the payment. However, you may wish to consider whether or not you may move any or all of the monies to another account at a later date without penalties or limitations.

If you choose to have the payment made to you and it is over $200, it is subject to the 20 percent Federal income tax withholding. The payment is taxed in the year in which it is received unless within 60 days after receiving it, you roll it over to an individual retirement account or retirement plan that accepts rollovers. You can rollover up to 100 percent of the eligible distribution, including the 20 percent withholding. To do so, you must replace the 20 percent withholding within the 60 day period. You will be taxed on any amount you do not roll over. For example, if you rollover only 80 percent of the distribution, you will be taxed on the remaining 20 percent.

You can find more information about the taxation of payments from qualified retirement plans from the following **Internal Revenue Service publications:**

- IRS Publication 575, "Pension and Annuity Income"
- IRS Publication 590, "Individual Retirement Arrangements"
- IRS Publication 721, "Tax Guide to U.S. Civil Service Retirement System Payments"
- Form 4972, "Tax on Lump Sum Distributions"

Federal income tax of ten percent will be withheld if your total taxable lump sum is less than $200. OPM will request a rollover election when you are eligible for a payment of $200 or more.

Address Changes, Direct Deposit Sign-Ups, and Allotment, Bond, and Income Tax Withholdings

Payments by Check

The law requires OPM to make payments by direct deposit to a checking or savings account at a financial institution. You can use OPM's form RI 38-128 to request such payment. You will need to arrange for a Direct Express debit card provided by the Department of the Treasury if you do not have direct deposit. Otherwise, you will need to call the Department of the Treasury to discuss your options for receiving payments at **1-800-333-1795** during normal business hours.

Direct Deposit

Use **OPM Services Online** to sign up for direct deposit, or to change the account or bank where your payment is sent. You will need your claim number and password to use the self-service web site. You will be asked whether your account is a savings or checking account and to provide your account number and the routing number for your financial institution (found next to your account number on the bottom of your check). You should contact your financial institution for assistance in getting the routing number if you are not sure. When you make a change, OPM will mail you confirmation of the change.

You can also call or write OPM to sign up for direct deposit or change your account or bank. If you write, your letter should include your claim number. You can also use this form to sign up for direct deposit. Or, you can submit a Standard Form 1199A, "Direct Deposit Sign Up Form," which is available at your bank.

When you change the account you use for direct deposit, keep the old account open until a payment is posted to the new account. This will prevent having the payment returned if there is a problem with the new account.

OPM will keep a separate mailing address to periodically send you information about your retirement and health and life insurance benefits. You can see the current record of your mailing address on OPM Services Online. Please notify OPM if this address changes.

Change of Address

Use **OPM Services Online** OPM Services Online to report the change in your mailing address when you move. If you changed banks because you moved, you should also use OPM Services Online to give OPM your new account number and the routing number (found next to your account number on the bottom of your check) for your financial institution.

When you change the account you use for direct deposit, keep the old account open until a

Change of Address *(continued)*

payment is posted to the new account. This will prevent having the payment returned if there is a problem with the new account.

You can also call or write OPM to change your mailing address. If you write, your letter should include your claim number.

If you are enrolled in the health benefits program in a plan that serves a limited geographic area, you will need to change plans if you move out of the service area. See the **web page** to view the list of plans.

Once you have picked your new plan, call OPM to change your enrollment or if you need more help.

Voluntary Withholdings

You can voluntarily withhold Federal and State income taxes, U.S. Savings Bonds, checking and savings allotments, or allotments to other participating organizations.

Federal Income Tax

Generally, unless you specify a monthly withholding rate or amount, OPM withholds Federal income tax as if you are married and claiming three allowances. Use OPM Services Online to start, change, or stop the Federal tax withheld from your annuity payment or specify the dollar amount withheld.

You can also call or write OPM to change your withholding amount. If you write, your letter should include your claim number and the monthly amount in dollars you want withheld. If you write, OPM will send you a Form W-4P-A, "Election of Federal Income Tax Withholding," and instructions for making the change. The change in your withholdings will be made after OPM receives your Form W-4P-A.

You may change the amount withheld whenever you think it is necessary.

Please note that you may be penalized by the Internal Revenue Service (IRS) if you do not have at least 90 percent of your yearly tax liability either withheld from your salary or annuity or made via quarterly payments to the IRS.

If you need more information or assistance in determining whether or not you are having the right amount of Federal income tax withheld, see the **Internal Revenue Service website.**

State Income Tax

You must specify the dollar amount of State tax you want withheld from your monthly payments. The withholding must be in whole dollars. The minimum amount OPM can withhold for State income tax is $5. Use OPM Services Online to start, change, or stop the State tax withheld from your annuity payment.

You can also call or write OPM to change your withholding amount. If you write, your letter should include your claim number and the monthly amount in dollars you want withheld.

If you do not know the monthly amount you want withheld, contact your State tax office for information or assistance. If your State does not participate, please contact the State tax office for information or assistance.

Savings Bonds

As of April 1, 2009, The Office of Personnel Management is no longer withholding for the purchase of savings bonds. Please contact your bank or other financial institution or the Department of the Treasury to purchase these bonds. For further information on Savings Bonds visit the **Treasury Direct website**.

Allotments to Organizations

You can start, change, or stop an allotment to participating organizations. Participating organizations include:

- American Federation of Government Employees (AFGE)
- Fraternal Order of Retired Border Patrol Officers (Museum)
- National Association of Postmasters of the U.S. Political Action Committee

Voluntary Withholdings *(continued)*

- National Rural Letter Carriers Association Political Action Committee
- National Treasury Employees Union (NTEU)
- Northwest Plan Administrators
- Treasury Employees Political Action Committee

If the organization for which you wish to make an allotment is not listed above, you should contact them and ask them to provide OPM with the banking information needed to forward payments. The organization can contact OPM by email at **finance@opm.gov**. Use OPM Services Online or call their toll-free number to make one-time or recurring membership payments to organizations.

Checking and Savings Allotments

Checking and savings allotments are voluntary deductions for allotments sent by direct deposit to a checking or savings account in your name. You may have up to two allotments. The accounts must be maintained at a domestic financial institution. This does not include charities, savings bonds, garnishments or other court orders, union or other organizational dues. You must maintain at least $100 net annuity payment. The allotment must be for a minimum of $50.

Changing Voluntary Withholding

Use OPM Services Online to:

- Start, change, or stop Federal and State income tax withholdings
- Buy, change, or stop savings bonds
- Request a duplicate tax-filing statement (1099R)
- Change your Personal Identification Number (PIN) for accessing the automated systems
- Establish, change, or stop an allotment to an organization
- Change your mailing address
- Start direct deposit of your payment or change the account or financial institution to which your payment is sent
- Establish, change, or stop a checking or savings allotment
- View a statement describing your annuity payment

You can also call OPMs toll-free number **1-888-767-6738**, for these and many of your voluntary withholdings. When using the self-service systems, you need your claim number, and password. If you do not have a password, call OPM.

Generally, in the middle of month, OPM authorizes payments that are due for the first business day of the following month. Therefore, if you want your change to be reflected in your next payment, you should submit your request as early in the month as possible.

Other Possible Withholdings and Adjustments

This list shows the possible withholdings from or adjustments to your civil service annuity payment. The list provides a description of the withholdings or adjustments and the code that is used for listing them on your annuity adjustment notice. However, it does not include the enrollment codes for plans under the Federal Employees Health Benefits (FEHB) program.

Medicare Premiums

If you are not receiving Social Security benefits, you can have Medicare premiums withheld from your annuity payments. OPM must receive a request for the withholding from the Centers for Medicare and Medicaid Services. OPM cannot withhold premiums based on your direct request or even one from the Social Security Administration.

However, the Social Security district office may be able to give you additional information.

Other Possible Withholdings and Adjustments *(continued)*

Health Care Benefits Changes

There are many reasons for changing your health benefits enrollment. If you are changing your coverage because of one of the reasons listed below, OPM can make the change based on your telephone call. When calling you must have your claim number, as well as the enrollment number and name for your new plan.

Changes that can be made by phone include:

- You are changing to self-only coverage from family coverage
- You are changing plans because you have moved out of the service area of your Health Maintenance Organization (HMO)
- You turned 65 and are changing to a lower cost plan option because you are eligible for Medicare
- You are changing your enrollment during the annual Health Benefits Open Season, which usually runs from mid-November to early December
- You are changing to self plus one or family coverage because you marry, have a baby, or adopt a child (This option is not available to survivors)

You should contact OPM within the period beginning 31 days before up to 60 days after the date of the event. You may change the plan in which you are enrolled or from high to low option coverage during the annual Open Season for electing coverage.

If you need assistance with your health benefits enrollment, call **1-888-767-6738**, to change your enrollment or if you need to speak with a Customer Service Specialist.

If you are eligible for TRICARE or TRICARE-For-Life benefits, you may suspend your FEHB coverage and premium payments. You are able to reenroll in the FEHB Program during the Open Season, or immediately if you are involuntarily disenrolled from the TRICARE program.

Changes to Life Insurance

You can reduce your premiums by reducing your coverage. However, if you reduce coverage, you cannot increase it again at a later date. To change your coverage, write to:

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

Leaving Government Service Before Retirement

If you decide to leave your government job before becoming eligible for retirement, you have a couple of options. You can ask that your retirement contributions be returned to you in a lump sum payment. Or, you can wait until you are retirement age to apply for monthly retirement benefit payments. If you get a refund of your retirement contributions now, you will no longer be eligible to receive monthly payments when you reach retirement age.

Lump Sum Contribution Refund

If you are leaving your Federal job and want a refund of your retirement contributions, you can get an application from your personnel office, complete it, and return it to them. If you are no longer in the Federal service, you can acquire the appropriate application from the OPM website.

If you are still working at your government job, submit your application to your servicing personnel office. If you have left Federal service, submit your application to the Office of Personnel Management (OPM) at:

U.S. Office of PersonnelManagement,
Retirement Operations Center
Post Office Box 45
Boyers, PA 16017-0045

Interest Payments

CSRS Interest

If you contributed to the Civil Service Retirement System (CSRS) while you worked, interest will be included in the refund of those contributions if you have more than one but less than five years of service. Interest is paid at three percent.

FERS Interest

If you contributed to the Federal Employees Retirement System (FERS), you will get interest on the refund of those contributions if you worked more than one year. Interest is paid at the same rate that is paid for government securities. Beginning in 1985, interest rates vary each calendar year, according to the interest rates earned by new retirement fund securities.

Refund Taxes

Your retirement contributions are not taxable, but interest included in the payment is taxable.

Roll Overs

You can roll over lump sum payments representing your retirement contributions, including voluntary contributions, and applicable interest.

An eligible payment can be paid either to you or directly to an individual retirement account or other employee sponsored plan. Your choice will affect the amount of taxes you owe.

OPM is required to withhold Federal income tax from taxable payments over $200 at the rate of 20 percent. However, you may choose to take all or part of these payments in a direct roll over to an individual retirement account or an employer-sponsored retirement plan that accepts roll overs. The taxable portion can be rolled over into the Thrift Saving Plan. If you make this election, OPM will not withhold the Federal income tax from the taxable payments.

You can open an individual retirement account to receive a direct roll over. You must contact the individual retirement account sponsor to find out how to have your payment made to your account. If you are unsure of how to invest your money, you may wish to temporarily establish an account to receive the payment. However, you may wish to consider whether or not you may move any or all of the monies to another account at a later date without penalties or limitations.

If you choose to have the payment made to you and it is over $200, it is subject to the 20 percent Federal income tax withholding. The payment is taxed in the year in which it is received unless within 60 days after receiving it, you roll it over to an individual retirement account or retirement plan that accepts roll overs. You can roll over up to 100 percent of the eligible distribution, including the 20 percent withholding. To do so, you must replace the 20 percent withholding within the 60-day period. You will be taxed on any amount that you do not roll over. For example, if you roll over only the 80 percent of the distribution, you will be taxed on the remaining 20 percent.

OPM will not withhold any amount for Federal income tax if your total taxable lump sum is less than $200. OPM will request a roll over election when you are eligible for a payment of $200 or more.

Health, Life, Dental and/or Vision Insurance and a Deferred Retirement

Generally, since your coverage under these programs effectively ended when you left Federal service, you cannot continue the coverage into retirement when you receive a deferred annuity.

Medicare

Medicare is our country's health insurance program for people age 65 or older. Certain people younger than age 65 can qualify for Medicare, too, including those who have disabilities and those who have permanent kidney failure or amyotrophic lateral sclerosis (Lou Gehrig's disease). The program helps with the cost of health care, but it does not cover all medical expenses or the cost of most long-term care.

Medicare is financed by a portion of the payroll taxes paid by workers and their employers. It also is financed in part by monthly premiums deducted from Social Security checks.

As an active or retired Federal employee covered by both the Federal Employees Health Benefits (FEHB) Program and Medicare, you probably have had questions from time to time about how the two programs work together to provide you with your health benefits coverage. First, we will review what Medicare is and then discuss how the two programs work together.

Medicare is a Health Insurance Program for:

- People 65 years of age and older.
- Some people with disabilities under 65 years of age.
- People with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a transplant).

Medicare has four parts:

1. PART A (Hospital Insurance)	Most people do not have to pay for Part A. If you or your spouse worked for at least 10 years in Medicare-covered employment, you should be able to qualify for premium-free Part A insurance. (Someone who was a Federal employee on January 1, 1983 or since automatically qualifies.) Otherwise, if you are age 65 or older, you may be able to buy it. Contact **1-800-MEDICARE** for more information.
2. PART B (Medical Insurance)	Most people pay monthly for Part B. Generally, Part B premiums are withheld from your monthly Social Security check or your retirement check.
3. PART C (Medicare Advantage)	If you are eligible for Medicare, you may have choices in how you get your health care. Medicare Advantage is the term used to describe the various health plan choices available to Medicare beneficiaries. If you are eligible for Medicare, you may choose to enroll in and get your Medicare benefits from a Medicare managed care plan. These are health care choices (like HMOs) in some areas of the country. In most Medicare managed care plans, you can only go to doctors, specialists, or hospitals that are part of the plan. Medicare managed care plans provide all the benefits that Original Medicare covers. Some cover extras, like prescription drugs. To learn more about enrolling in a Medicare managed care plan, contact Medicare at **1-800-MEDICARE (1-800-633-4227)** or at **medicare.gov/**. You can enroll in a Medicare Advantage plan to get your Medicare benefits. Medicare Advantage is the term used to describe the various private health plan choices available to Medicare beneficiaries.

4. PART D (Medicare prescription drug coverage)	There is a monthly premium for Part D coverage. Most Federal employees do not need to enroll in the Medicare drug program, since all Federal Employees Health Benefits Program plans will have prescription drug benefits that are at least equal to the standard Medicare prescription drug coverage. If you have limited savings and a low income, you may be eligible for Medicare's Low-Income Benefits. For people with limited income and resources, extra help in paying for a Medicare prescription drug plan is available. Information regarding this program is available through the Social Security Administration (SSA). For more information about this extra help, visit SSA online at **ssa.gov/pubs**, or call them at **1-800-772-1213 (TTY 1-800-325-0778).**

The Original Medicare Plan (Original Medicare) is available everywhere in the United States. It is the way everyone used to get Medicare benefits and is the way most people get their Medicare Part A and Part B benefits now. You may go to any doctor, specialist, or hospital that accepts Medicare. The Original Medicare Plan pays its share and you pay your share. Some things are not covered under Original Medicare, like prescription drugs.

Should you enroll in Medicare?

The decision to enroll in Medicare is yours. SSA encourages you to apply for Medicare benefits 3 months before you turn age 65. It's easy. Just call the Social Security Administration toll-free number **1-800-772-1213** to set up an appointment to apply. If you do not apply for one or more Parts of Medicare, you can still be covered under the FEHB Program.

If you can get premium-free Part A coverage, SSA advises you to enroll in it. Most Federal employees and annuitants are entitled to Medicare Part A at age 65 without cost. When you don't have to pay premiums for Medicare Part A, it makes good sense to obtain coverage. It can reduce your out-of-pocket expenses as well as costs to FEHB, which can help keep FEHB premiums down.

Everyone is charged a premium for Medicare Part B coverage. The Social Security Administration can provide you with premium and benefit information. Review the information and decide if it makes sense for you to buy the Medicare Part B coverage.

If you are eligible for Medicare, you may have choices in how you get your health care. Medicare Advantage is the term used to describe the various private health plan choices available to Medicare beneficiaries. The information in the next few pages shows how SSA coordinates benefits with Medicare, depending on whether you are in the Original Medicare Plan or a private Medicare Advantage Plan.

The Original Medicare Plan (Part A and Part B)

The Original Medicare Plan (Original Medicare) is available everywhere in the United States. It is the way everyone used to get Medicare benefits and is the way most people get their Medicare Part A and Part B benefits now. You may go to any doctor, specialist, or hospital that accepts Medicare. The Original Medicare Plan pays its share and you pay your share.

When you are enrolled in Original Medicare along with an FEHB Plan, you still need to follow the rules in the Plan's brochure to cover your care.

Please consult your health plan for specific information about filing your claims when you have the Original Medicare Plan.

Medicare Advantage (Part C)

If you are eligible for Medicare, you may choose to enroll in and get your Medicare benefits from a Medicare Advantage plan. These are private health care choices (like HMO's) in some areas of the country. To learn more about Medicare Advantage plans, contact Medicare at **1-800-MEDICARE (1-800-633-4227)** or at **medicare.gov**

Please consult your health plan for specific options available to you when you have a Medicare Advantage plan.

Suspended FEHB coverage to enroll in a Medicare Advantage plan:

If you are an annuitant or former spouse, you can suspend your FEHB coverage to enroll in a Medicare Advantage plan, eliminating your FEHB premium. (OPM does not contribute to your Medicare Advantage plan premium.) For information on suspending your FEHB enrollment, contact your retirement office. If you later want to re-enroll in the FEHB program, generally you may do so only at the next Open Season unless you involuntarily lose coverage or move out of the Medicare Advantage plan's service area.

Medicare prescription drug coverage (Part D)

When the FEHB plan is the primary payer, the FEHB plan will process the claim first. If you enroll in Medicare Part D and Medicare is the secondary payer, Medicare will review claims for your prescription drug costs that are not covered by Medicare Part D and consider them for payment under the FEHB plan.

Types of Medicare Programs

Medicare beneficiaries may enroll in Original Medicare (Parts A and B) or choose to get their benefits from an array of Medicare Advantage Plans (Part C) plan options. Depending on where you live, Part C options may include Medicare Advantage Plans that are approved by Medicare but run by private companies. Medicare Advantage plans offer Medicare Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), private fee-for-service plans (PFFS), Medicare Special Needs Plans, and Medicare Medical Savings Account (MSA) plans.

Types of Medicare Programs *(continued)*

The Medicare Prescription Drug, Improvement and Modernization Act (MMA) established a voluntary outpatient prescription drug benefit, Medicare Part D, effective January 1, 2006. Medicare enrollees are able to receive prescription drug coverage by enrolling in a Medicare Part D plan. Medicare Advantage Plans (Medicare Part C) may also offer prescription drug coverage that follows the same rules as the Medicare Part D coverage.

New Provisions of Medicare

Medicare has two new provisions: Part C (Medicare Advantage) and Part D (Medicare Prescription Drug Coverage).

Medicare has two provisions

PART C	You can enroll in a Medicare Advantage plan to get your Medicare benefits. Medicare Advantage is the term used to describe the various private health plan choices available to Medicare beneficiaries.
PART D	There is a monthly premium for Part D coverage. Most Federal employees do not need to enroll in the Medicare drug program, since all Federal Employees Health Benefits Program plans will have prescription drug benefits that are at least equal to the standard Medicare prescription drug coverage. Still, you may want to be aware of the benefits Medicare is offering, so you can help others make informed decisions. If you have limited savings and a low income, you may be eligible for Medicare's Low-Income Benefits. For people with limited income and resources, extra help in paying for a Medicare prescription drug plan is available. Information regarding this program is available through the Social Security Administration (SSA).

What Does Medicare Cover?

Original Medicare has four parts:

PART A (Hospital Insurance) helps pay for:	• Inpatient hospital care • Critical access hospital • Skilled nursing facility care	• Some home health care • Hospice care

What Does Medicare Cover? *(continued)*

Original Medicare has four parts:

PART B (Medical Insurance) helps pay for	• Doctors' services • Ambulance services • Outpatient hospital care • X-rays and laboratory tests • Durable medical equipment and supplies • Home health care (if you don't have Part A)	• Certain preventive care • Limited ambulance transportation • Other outpatient services • Some other medical services Part A doesn't cover, such as physical and occupational therapy
PART B (Medical Insurance) helps pay for	• Doctors' services • Ambulance services • Outpatient hospital care • X-rays and laboratory tests • Durable medical equipment and supplies • Home health care (if you don't have Part A)	• Certain preventive care • Limited ambulance transportation • Other outpatient services • Some other medical services Part A doesn't cover, such as physical and occupational therapy
PART C (Medicare Advantage) If you join a Medicare Advantage Plan you generally get all your Medicare benefits, which may include prescription drugs, through one of the following types of plans:	• **Medicare HMOs** – You must get your care from primary care doctors, specialists, or hospitals on the HMO's list of network providers, except in an emergency. • **Medicare PPO Plans** – In most plans your share of plan costs is less when you use in-network primary care doctors, specialists and hospitals. Using out-of-network providers costs you more. • **Medicare Special Needs Plans** – These plans generally limit enrollment to people in certain long-term care facilities (like nursing homes); people eligible for both Medicare and Medicaid; or those with certain chronic or disabling conditions.	• **Medicare Private Fee-for-Service Plans** – In these plans, you may go to any Medicare-approved primary care doctor, specialist, or hospital that will accept the terms of the private plan's payment. • **Medicare Medical Savings Account (MSA) Plans** – These plans include a high deductible plan that will not begin to pay benefits until the high annual deductible is met. They also include a medical savings account into which Medicare will deposit money for you to use to pay your health care costs. Medical Savings Account Plans do not cover prescription drugs.

What Does Medicare Cover? *(continued)*

Original Medicare has four parts:

PART D (Medicare Prescription Drug Coverage)	Under this program, private companies provide Medicare Prescription Drug Coverage and you pay a monthly premium. Federal retirees already have excellent access to health benefits coverage for drugs through participation in the FEHB Program. However, if you choose to enroll in Part D, Medicare benefits for drugs will be primary (will pay first) in most cases for FEHB enrollees. (Medicare C plans that include prescription drugs will also be primary to FEHB benefits.) It will almost always be to your advantage to keep your current FEHB coverage without any changes. The exception is for those with limited incomes and resources who may qualify for Medicare's extra help with prescription drug costs. Contact your benefits administrator or your FEHB Program insurer for information about your FEHB coverage before making any changes. It is important to note that FEHB Program prescription drug coverage is an integral part of your total health benefits package. You cannot suspend or cancel FEHB Program prescription drug coverage without losing your FEHB plan coverage in its entirety (in other words, losing coverage) for hospital and medical services which would mean you might have significantly higher costs for those services. Because all FEHB Program plans have as good or better coverage than Medicare, they are considered to offer creditable coverage. So, if you decide not to join a Medicare drug plan now, but change your mind later and you are still enrolled in FEHB, you can do so without paying a late enrollment penalty. As long as you have FEHB Program coverage you may enroll in a Medicare prescription drug plan from November 15 to December 31st of each year at the regular monthly premium rate. However, if you lose your FEHB Program coverage and want to join a Medicare prescription drug program, you must join within 63 days of losing your FEHB coverage or your monthly premium will include a late enrollment penalty. The late enrollment penalty will change each year but will be included in your premium each year for as long as you maintain the coverage.

What Does Medicare Cover? *(continued)*

Medicare does not cover:

- Your monthly Part B premium or Part C or Part D premiums
- Deductibles, coinsurance or copayments when you get health care services
- Outpatient prescription drugs (with only a few exceptions) unless you enroll in a Part C plan which provides drug coverage or a Part D plan
- Routine or yearly physical exams
- Custodial care (help with bathing, dressing, toileting, and eating) at home or in a nursing home
- Dental care and dentures (with only a few exceptions)
- Routine foot care
- Hearing aids
- Routine eye care
- Health care you get while traveling outside of the United States (except under limited circumstances)
- Cosmetic surgery
- Some vaccinations
- Orthopedic shoes

Medicare Eligibility

You are eligible for Medicare if you are age 65 or over. Also, certain disabled persons and persons with permanent kidney failure (or End Stage Renal Disease) are eligible. You are entitled to Part A without having to pay premiums if you or your spouse worked for at least 10 years in Medicare-covered employment. (You automatically qualify if you were a Federal employee on January 1, 1983.) If you don't automatically qualify for Part A, and you are age 65 or older, you may be able to buy it; contact the Social Security Administration. You must pay premiums for Part B coverage, which are withheld from your monthly Social Security payment or your annuity. You must be enrolled in both Medicare Parts A and B before you can enroll in Part C. You must be enrolled in either Part A or Part B before you can enroll in Part D. The cost of any additional premium will vary depending on the Part C or Part D plan that you select.

Differences Between FEHB and Medicare

Generally, plans under the FEHB Program help pay for the same kind of expenses as Medicare. FEHB plans also provide coverage for emergency care outside of the United States which Medicare doesn't provide. Some FEHB plans also provide coverage for dental and vision care. Medicare covers some orthopedic and prosthetic devices, durable medical equipment, home health care, limited chiropractic services, and some medical supplies, which some FEHB plans may not cover or only partially cover (check your plan brochure for details).

If You Have FEHB Coverage, Do You Need Medicare Coverage?

If you are entitled to Part A without paying the premiums, you should take it, even if you are still working. This may help cover some of the costs that your FEHB plan may not cover, such as deductibles, coinsurance, and charges that exceed the plan's allowable charges. There are other advantages to Part A, such as (if you also enroll in Part B,) being eligible to enroll in a Medicare Advantage Plan.

Changing FEHB Enrollment

You may change your FEHB enrollment to any available plan or option at any time beginning 30 days before you become eligible for Medicare. You may use this enrollment change opportunity only once. You may also change your enrollment during the annual Open Season, or because of another event that permits enrollment changes (such as a change in family status).

Once Medicare becomes the primary payer, you may find that a lower cost FEHB plan is adequate for your needs, especially if you are currently enrolled in a plan's high option. Also, some plans waive deductibles, coinsurance, and copayments when Medicare is primary.

Medicare Advantage

If you enroll in a Medicare Advantage plan, you may not need FEHB coverage because the Medicare Advantage plan will provide you with many of the same benefits. You should review the Medicare Advantage Plan benefits carefully before making a decision to suspend or cancel FEHB coverage. You should contact your retirement system to discuss suspension and reenrollment.

Reenrolling in FEHB

If you provide documentation to your retirement system that you are suspending your FEHB coverage to enroll in a Medicare Advantage plan, you may reenroll in FEHB if you later lose or cancel your Medicare Advantage plan coverage. However, you must wait until the next Open Season to reenroll in FEHB, unless you involuntarily lose your coverage under the Medicare Advantage plan (including because the plan is discontinued or because you move outside its service area). In this case, you may reenroll from 31 days before to 60 days after you lose the Medicare Advantage plan coverage, and your reenrollment in FEHB will be effective the day after the Medicare Advantage plan coverage ends (or ended).

Windfall Elimination Provision and Government Pension Offset

Windfall Elimination Provision (WEP)

Your Social Security retirement or disability benefits may be reduced if you work for an employer who does not withhold Social Security taxes from your salary, such as a government agency or an employer in another country, the pension you get based on that work may reduce your Social Security benefits.

The **Windfall Elimination Provision** affects how the amount of your retirement or disability benefit is calculated if you receive a pension from work where Social Security taxes were not taken out of your pay. A modified formula is used to calculate your benefit amount, resulting in a lower Social Security benefit than you otherwise would receive.

The Windfall Elimination Provision primarily affects you if you earned a pension in any job where you did not pay Social Security taxes and you also worked in other jobs long enough to qualify for a retirement or disability benefit.

For example, this provision affects Social Security benefits when any part of a person's federal service after 1956 is covered under the Civil Service Retirement System (CSRS). However, federal service where Social Security taxes are withheld (Federal Employees Retirement System or CSRS Offset) will not reduce your Social Security benefit amounts.

The Windfall Elimination Provision may apply if:

- You reached 62 after 1985
- You became disabled after 1985
- You first became eligible for a monthly pension based on work where you did not pay Social Security taxes after 1985, even if you are still working

Why a different formula is used?

Social Security benefits are intended to replace only a percentage of a worker's pre-retirement earnings. The way Social Security benefit amounts are figured, lower-paid workers get a higher return than highly paid workers. For example, lower-paid workers could get a Social Security benefit that equals about 55 percent of their pre-retirement earnings. The average replacement rate for highly paid workers is about 25 percent.

Before 1983, people who worked mainly in a job not covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job where they did not pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

How does the Windfall Elimination Provision Work?

Social Security benefits are based on the worker's average monthly earnings adjusted for inflation. Your average earnings are separated into three amounts and multiply the amounts using three factors. For example, for a worker who turned 62 in 2019, the first $926 of average monthly earnings is multiplied by 90 percent; the earnings between $926 and $5,583 by 32 percent; and the remainder by 15 percent. The sum of the three amounts equals the Primary Insurance Amount, which is then decreased or increased depending on whether the worker starts benefits before or after full retirement age (FRA).

The 90 percent factor is reduced in the modified formula and phased in for workers who reached age 62 or became disabled between 1986 and 1989. For those who reach 62 or became disabled in 1990 or later, the 90 percent factor is reduced to 40 percent.

Windfall Elimination Provision (WEP) *(continued)*

When the WEP Does Not Apply

The Windfall Elimination Provision does not apply to survivors benefits. It also does not apply if:

- You are a federal worker first hired after December 31, 1983
- You were employed on December 31, 1983, by a nonprofit organization that did not withhold Social Security taxes from your pay at first, but then began withholding Social Security taxes from your pay
- Your only pension is based on railroad employment
- The only work you did where you did not pay Social Security taxes was before 1957
- You have 30 or more years of substantial earnings under Social Security

If you get a relatively low pension, you are protected. The reduction in your Social Security benefit cannot be more than one-half of the amount of your pension based on your earnings after 1956 on which you did not pay Social Security taxes.

Government Pension Offset

The **Government Pension Offset** is a law that affects spouses and widows or widowers. If you receive a pension from a federal, state or local government based on work where you did not pay Social Security taxes, your Social Security spouse's or widow/widower's benefits may be reduced.

How much will your Social Security benefits be reduced?

Your Social Security benefits will be reduced by two-thirds of your government pension. In other words, if you get a monthly civil service pension of $600, two-thirds of that, or $400, must be deducted from your Social Security benefits. For example, if you are eligible for a $500 spouse's, widow's or widower's benefit from Social Security, you will receive $100 per month from Social Security ($500 – $400 = $100). If two-thirds of your government pension is more than your Social Security benefit, your benefit could be reduced to zero. If you take your government pension annuity in a lump sum, Social Security still will calculate the reduction as if you chose to get monthly benefit payments from your government work.

Why will your Social Security benefits be reduced?

Benefits SSA pays to wives, husbands, widows, and widowers are "dependent" benefits. These benefits were established in the 1930s to compensate spouses who stayed home to raise a family and who were financially dependent on the working spouse. But as it has become more common for both spouses in a married couple to work, each earned their own Social Security retirement benefit. The law requires that a person's benefit as a spouse, widow, or widower be offset by the dollar amount of their own retirement benefit.

In other words, if a woman worked and earned her own $800 monthly Social Security retirement benefit, but she was also due a $500 wife's benefit on her husband's Social Security record, SSA could not pay that wife's benefit because her own Social Security benefit offset it. But, before enactment of the Government Pension Offset provision if that same woman was a government employee who did not pay into Social Security, and who earned an $800 government pension, there was no offset and SSA was required to pay her a full wife's benefit in addition to her government pension.

If this government employee's work had instead been subject to Social Security taxes, any Social Security benefit payable as a spouse, widow or widower would have been reduced by the person's own Social Security retirement benefit. The Government Pension Offset provision ensures that SSA calculates the benefits of government employees who don't pay Social Security taxes the same as workers in the private sector who pay Social Security taxes.

When won't your Social Security benefits be reduced?

Generally, your Social Security benefits as a spouse, widow/widower will not be reduced if you:

- Are receiving a government pension that is not based on your earnings
- Are a Federal (including CSRS Offset), state or local employee whose government pension is based on a job where you were paying Social Security taxes; and:
  - Your last day of employment (that your pension is based on) is before July 1, 2004
    - You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time)
    - You paid Social Security taxes on your earnings during the last 60 months of government service. (Under certain conditions, SSA requires fewer than 60 months for people whose last day of employment falls after June 30, 2004, and before March 2, 2009)

There are other situations for which SSA won't reduce your Social Security benefits as a spouse, widow, or widower; for example, if you:

- Are a federal employee who switched from the Civil Service Retirement System (CSRS) to the Federal Employees Retirement System (FERS) after December 31, 1987:
  - Your last day of service (that your pension is based on) is before July 1, 2004
  - You paid Social Security taxes on your earnings for 60 months or more during the period beginning January 1988 and ending with the first month of entitlement to benefits
  - You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time)
- Received, or were eligible to receive, a government pension before December 1982 and meet all the requirements for Social Security spouse's benefits in effect in January 1977
- Received, or were eligible to receive, a federal, state, or local government pension before July 1, 1983, and were receiving one-half support from your spouse

Note: A Civil Service Offset employee is a federal employee, rehired after December 31, 1983, following a break in service of more than 365 days, with five years of prior CSRS coverage.

Government Pension Offset *(continued)*

What about Medicare?

Even if you do not receive cash benefits based on your spouse's work, you still can get Medicare at age 65 on your spouse's record if you are not eligible for it on your own record.

Can you still get Social Security benefits from your own work?

The offset applies only to Social Security benefits as a spouse or widow or widower. However, your own benefits may be reduced because of another provision of the law.