



Retirement Overview

Civil Service Retirement System And Federal Employees Retirement System

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Agenda

- ❑ Civil Service Retirement
- ❑ Federal Employees Retirement System
- ❑ Federal Employee Health Benefits
- ❑ Federal Employees Group Life Insurance
- ❑ Retirement Estimate
- ❑ Retirement Procedures



Civil Service Retirement System (CSRS)



- ❑ General Eligibility Requirements:
- ❑ Have at least 5 years of creditable civilian service with the Federal government
- ❑ Have been employed under Civil Service Retirement System (CSRS) for at least 1 year out of the last 2 years preceding your final separation from Federal employment.
- ❑ Must separate from a position subject to CSRS coverage



Optional Retirement

□ Eligibility requirements for Voluntary/Optional retirement:

- Age 55 with 30 years of service
- Age 60 with 20 years of service
- Age 62 with 5 years of service

Must have at least 5 years of creditable civilian service

Military service or sick leave may not be used to reach the 5 year rule

Annuity starts the day after your retirement if



Optional Retirement

Your retirement is effective on the last day of month or the first three days of month.

- Annuity starts the first day of following month if your retirement is effective after the third day of month.



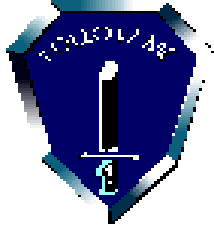
Unused Sick Leave

- ❑ Must retire on an immediate annuity
- ❑ Additional time computed on the basis of a 2087 hour work year
- ❑ Added to length of service for computation purposes only
- ❑ May increase survivor annuity



Reductions

- ❑ Deposit/Redeposit Service
- ❑ Election of Survivor Benefits
- ❑ Post 56 Military Service (applies to CSRS Employees before 10-01-1982, if eligible for Social Security Known as "Catch 62")



Deposit Service

- Deposit service is the period of service during which retirement contributions were not withheld from your salary. An example includes temporary time. As a CSRS employee, paying the deposit is a personal choice and its effect is dependent upon the time of service. If the service is prior to 10-01-1982, your annual annuity will be reduced by 10% of the total deposit owed if you do not pay the deposit before final adjudication of your retirement claim.



Deposit Service

- If the service is on or after 10-01-1982, the non deduction (temporary) service counts toward eligibility, but is not used for total creditable service for computation purpose.



Redeposit Service

- Service in which you contributed to the retirement fund and later received a refund of those contributions. If you received the refund before 10-01-1990 and your non-disability annuity commences after 12-01-1990, and you do not make a redeposit, your annuity is actuarially reduced. If the refund was received on or after 10-10-1990, the service counts toward eligibility. You must pay the redeposit to receive credit for the service in the annuity computation.



Survivor Benefits

- ❑ Your spouse will receive a survivor annuity upon your death. The amount and reduction in your annuity depends on the election you make.
- ❑ Three options are available:
 - Maximum Survivor Benefit – Upon your death your spouse will receive 55% of your annuity.
 - Less than maximum – Upon your death your spouse will receive 55% of a dollar amount you specify. This election requires your spouse's consent.
 - No survivor benefit – no survivor annuity will be paid to your spouse after your death. Requires your spouse's consent to the decision. Health benefits will cease.



Federal Employees Retirement System



- FERS is a 3-tiered retirement system
 - Social Security Benefits – contribute 6.2%
 - Basic Benefits Plan – contribute 0.80% (difference between 7% of your basic pay and Social Security's old age, survivor, and disability insurance tax rate)
 - FERS annuity is the smallest component
 - Thrift Saving Plan (TSP) – will make up the largest portion of your total retirement.
 - Automatic 1% government contribution regardless of your TSP contribution rate



Federal Employees Retirement System (FERS)



- ❑ General Eligibility Requirements:
- ❑ Have at least 5 years of creditable civilian service with the Federal government
- ❑ Meet Minimum retirement age (MRA)
- ❑ Must separate from a position subject to FERS coverage



Unused Sick Leave-FERS

- For individuals covered by FERS:
 - No credit for any sick leave
- For individuals who have transferred to FERS with a CSRS component, the amount of sick leave credited if the lesser of:
 - Sick leave balance on date of transfer to FERS
 - OR
 - Sick leave balance on date of retirement



Optional Retirement

- ❑ Minimum Retirement Age (MRA) with 30 years of service
- ❑ 60 years of age with 20 years of service
- ❑ 62 years of age with 5 years of service
- ❑ MRA with at least 10 years but not more than 30 years service:
 - 5% reduction for each year under age 62(permanent)

BEST DAY TO RETIRE: Last day of the month!



Survivor Benefits

- ❑ Your spouse will receive a survivor annuity upon your death. The amount and reductions in your annuity depends on the election you make.
- ❑ Three Options are available:
 - Maximum Survivor Benefit – Upon your death your spouse will receive 50% of your unreduced annuity
 - Less than maximum – Upon your death your spouse will receive 25% of your unreduced annuity
 - No survivor benefit – no survivor annuity will be paid to your spouse after your death. Requires your spouse's consent to the decision. Health benefits will cease.



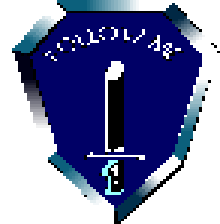
Federal Employees Health Benefits & Retirement



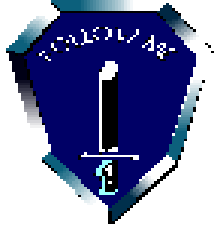
- ❑ Retire on an immediate annuity
- ❑ Be insured on the date of retirement
- ❑ Covered for the 5 years of service prior to retirement or since your FIRST opportunity to enroll
- ❑ Coverage as a family member under FEHB or CHAMPUS/TRICARE counts towards 5 year requirement (must be enrolled in FEBH prior to retirement)
- ❑ Cost of FEHB is the same for retirees and active employees except that premiums are paid on a monthly basis vs. bi-weekly
- ❑ Same Open Season and qualifying life event opportunities as active employees.



Federal Employees Health Benefits & Retirement

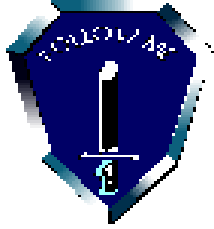


- ❑ Same FEHB plans available for retirees as active employees
- ❑ Once you cancel FEHB coverage in retirement, you can never re-enroll
- ❑ At age 65, you must enroll in Medicare and it becomes your primary and your FEHB becomes your secondary provider
- ❑ Retirees can suspend FEHB for Tricare or Medicare (if enrolled in Medicare + Choice health plan) and return to FEHB coverage during Open Season or immediately upon involuntarily losing non-FEHB coverage.
- ❑ Your spouse is eligible to continue FEHB coverage after your death only if you have Self and Family coverage and elect to provide a survivor benefit at retirement.



Federal Employees Group Life Insurance & Retirement

- ❑ Retirement on an immediate annuity
- ❑ Insured on date of retirement
- ❑ Insured for the 5 years of service prior to retirement OR since your First opportunity to enroll
- ❑ Election Form: SF 2818 – Continuation of Life Insurance Coverage – Form requires 4 signature



Retirement Estimate

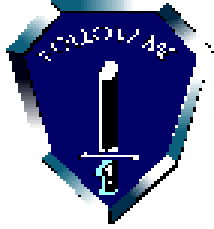
- Request your retirement estimate no more than 5 years prior to retirement eligibility date
- ABC-C will compute one retirement estimate per calendar year
- Retirement estimate includes:
 - Verification of military & civilian service documented in your Official Personnel Folder (OPF)
 - Calculation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



ABC-C Retirement Procedures & Process

- 180 days prior to retirement:
 - Download forms from ABC-C website
 - Call ABC-C for help with the retirement forms

- 120 days:
 - Mail retirement forms to ABC-C
 - Maintain personal copy
 - ABC-C receives your retirement package:
 - Reviews retirement package
 - Sends letter acknowledging receipt and requests missing forms/documents
 - Requests OPF 90 120 days out



ABC-C Retirement Procedures & Process

- 30 – 60 days prior to retirement:
 - Retirement package assigned to counselor
 - ABC-C retirement counselor:
 - Verifies required forms and documents
 - Processes retirement package
 - Provides final retirement counseling
 - Retirement package is forwarded to OPM



Retirement Overview

Questions????????????