



2020 Federal Employees Retirement System (FERS)

PRE-RETIREMENT PLANNING

Agenda



What are we going to discuss today?

- **Types of Retirements and Eligibility Requirements**
- **Annuity Calculation**
 - **Creditable Service**
 - **High three average salary**
- **FERS Special Annuity Supplement**
- **Computation of Disability Benefits**
- **Thrift Savings Program**
- **Additional Insurance Benefits: FEHB, FEDVIP, FSA, FEGLI and LTC Insurances**
- **Survivor Elections and Benefits**
- **Social Security Benefits – (Overview)**
- **Retirement and Estate Planning Basics – (Overview)**
- **Non-Regular Retirement (Reserve Component) – (Overview)**

5 Year Pre-Retirement Planning



- **Utilize retirement calculators such as the Federal Ballpark E\$timate calculator to determine income needs in retirement**
- **Utilize GRB calculator for rough annuity estimates**
- **Utilize TSP calculators for various savings projections**
- **Request retirement estimate from the Army Benefits Center-Civilian (ABC-C)**
- **Adjust and Maximize TSP contributions & any other savings as necessary based on the results from calculators and estimates**
- **Verify eligibility for maintaining FEHB & FEGLI into retirement**
- **Ensure all military deposits have been completed**
- **Ensure all civilian deposits and/or re-deposit's have been completed**

Pre-Retirement Planning Links



Federal Ballpark E\$timate:

<https://www.opm.gov/retirement-services/calculators/federal-ball-park-estimator/p1.html>

Retirement information & services provided by OPM:

<https://www.opm.gov/retirement-services/>

U.S. Financial Literacy Education Commission website:

<http://www.mymoney.gov>

Army Benefits Center–Civilian GRB:

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

Social Security Administration:

<http://www.ssa.gov>

Thrift Savings Plan:

<http://www.tsp.gov>

FERS Retirement System



Types of Retirement And Eligibility Requirements



FERS Retirement System



**The Federal Employee Retirement System (FERS) is a multi-tiered retirement system composed of three basic parts:
(sometimes referred to as a three legged stool)**

- **FERS Basic Annuity – A defined benefit plan**
- **Thrift Savings Plan – A defined contribution plan**
- **Social Security benefits at age 62 (OASDI)**
- **A FERS Special Annuity Supplement may be paid until age 62 (If applicable)**

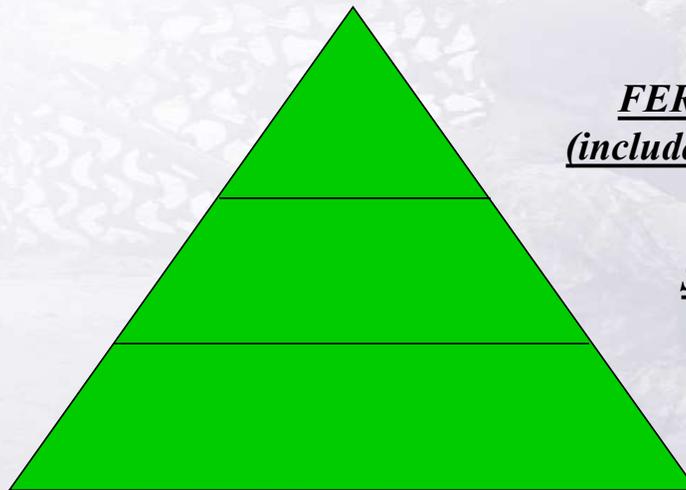
FERS Retirement System



3-tiers of the FERS retirement system

FERS annuity is typically the smallest component

TSP will likely make up the largest portion of your total retirement with proper planning



FERS Annuity - Defined Benefit
(includes FERS-RAE & FERS-FRAE)

Social Security

Thrift Savings Plan - Defined Contribution

FERS Contribution Rates



FERS Contribution Rates

(Generally - If hired under FERS on or before 12/31/2012)

Category	FERS Contribution Rates (%)		
	Normal Cost %	Employee %	Agency %
Regular (Non Dual Status)	12.7	.8	11.9
Military Reserve Tech	15.7	.8	14.9

(.8% = \$8.00 per thousand earned)

FERS-RAE Contribution Rates



FERS-RAE Contribution Rates (Revised Annuitant Employee)

(Generally - If first hired under FERS 1/1/2013 – 12/31/2013)

Category	FERS RAE Contribution Rates (%)		
	Normal Cost %	Employee %	Agency %
Regular (Non Dual Status)	12.7	3.1	9.6
Military Reserve Tech	15.7	3.1	12.6

(3.1% = \$31.00 per thousand earned)

(An increase over FERS of 2.3% = \$23.00 per thousand earned)

FERS-FRAE Contribution Rates



FERS-FRAE Contribution Rates

(Further Revised Annuitant Employee)

(Generally - If first hired under FERS on or after 1/1/2014)

Category	FERS FRAE Contribution Rates (%)		
	Normal Cost %	Employee %	Agency %
Regular (Non Dual Status)	12.7	4.4	9.6
Military Reserve Tech	15.7	4.4	12.6

(4.4% = \$44.00 per thousand earned)

(An increase over FERS of 3.6% = \$36.00 per thousand earned)

(An increase over FERS RAE of 1.3% = \$13.00 per thousand earned)

FERS Retirement Eligibility



Minimum Eligibility Requirements:

- **Must have 5 years of creditable civilian service**
- **Retire from a FERS-covered position**



FERS Types of Retirement

- **Voluntary / Optional Retirement (Immediate)**
- **Early Optional / Voluntary (Immediate)**
- **Discontinued Service Retirement (Immediate)**
- **Deferred Retirement (Not immediate)**
- **Disability Retirement (Immediate)**
- **Special Provisions for Military Reserve Technicians**

Minimum Retirement Age (MRA)



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



FERS Voluntary / Optional Retirement

Immediate Unreduced Retirement

Minimum
Age:

Minimum Years
of Service:

MRA and 30

60 and 20

62 and 5



FERS Voluntary / Optional - MRA +10

MRA +10 – Immediate Reduced Retirement

Minimum

Age:

MRA

Minimum Years

of Service:

**At least 10 years
of service, but
fewer than 30**

FERS MRA +10 Reduction



- The reduction for taking an MRA +10 annuity is 5% per year (.42% for each full month) for each full year you are:
 - under age 62 w/less than 20 years.
- Or
- Under age 60 w/20+ years at the time the annuity begins.
- The age reduction in the annuity is permanent.
- You may also be eligible to have FEHB and FEGLI reinstated if you postpone collecting annuity.

FERS Voluntary Early Optional Retirement



Minimum
Age:

50
Any

Minimum Years
of Service:

20
25

- Early optional rules are the same as the DSR
- No reduction in the annuity for being under age 55
- This retirement is **NOT** an option proposed by the employee, your employing agency makes an offer for Early retirement (example; RIF or Reorganization)

FERS Discontinued Service Retirement (DSR)



Minimum Age:

50
Any

Minimum Years of Service:

20
25

- **Involuntary Separation from Civilian Service**
- **Eligible for Special Annuity Supplement at MRA**
- **No reduction in the FERS annuity for being under age 55, unless you have a CSRS Component. The CSRS component will be reduced by 2% per year for each year under age 55**

FERS Deferred Retirement



- Employee separates before reaching eligibility for immediate annuity
- Retirement contributions remain in the retirement fund
- Loses entitlement to benefits permanently (FEHB/FEGLI)
- May apply for annuity when eligible
- Deferred retirements **NEVER** qualify for the special annuity supplement

FERS Deferred Retirement



Minimum
Age:

Minimum Years
of Service (YOS):

MRA

10- 29 yrs.

- **Reduction is 5% for each full year under age 62**
- **If over 20 YOS you may draw at age 60 w/o reduction for age**
- **No provision to allow reinstatement of FEHB or FEGLI**
- **Survivor Benefit is available.**

FERS Deferred Retirement



Drawing Unreduced

Minimum

Age:

60

62

Minimum Years

of Service:

20

5

FERS Disability Retirement



OPM's Definition of Disability

- **You must have a physical or mental impairment that renders you incapable of performing the duties of your last-held position,**
- AND**
- **Your agency must certify they are unable to make a reasonable accommodation (a job at the same pay or grade level, within the same commuting area, and one in which you can be expected to perform useful and efficient service),**
- AND**
- **Your disabling condition should be medically expected to last for at least one year**

FERS Disability Retirement



Minimum Age:

Any

Minimum Service:

18 months

FERS employees must apply for Social Security disability benefits at the time they apply for the OPM disability benefits

Special Provisions for Military Reserve Technicians (MRT)



Special Retirement Provisions exist for eligible Dual Status Military Reserve Technicians who as a condition of employment are required to maintain compatible military membership

Special Provision for Military Reserve Technicians (MRT)



(Dual Status Employees)

- **Special Provision for Involuntary Separation from Military membership**
 - **Not due to misconduct or delinquency**
- **Age and service requirements are based on the date when first hired in a covered position (if hired on or before 10 FEB 1996, or after; see handout)**
- **The Special Annuity Supplement is payable up to age 62**
 - **Earnings test will apply from MRA until age 62**
 - **Earnings amount mirrors social security rules**
- **Unique to FERS**
- **No age reduction**

Special Provision for Military Reserve Technicians (MRT)



(Dual Status Employees)

If first hired on or before 10 Feb 1996

- **Age 50 with 25 years of creditable federal service**
- **Allows for immediate supplement payment**
- **Federal service includes all other service deemed creditable under FERS, to include prior Title 10 military service with completed deposits**

Special Provision for Military Reserve Technicians (MRT)



(Dual Status Employees)

If first hired after 10 Feb 1996

- Age 50 with 20 years of creditable **“military technician”** service, *or* any age with 25 years of creditable **“military technician”** service
- Other service creditable under FERS and prior Title 10 military deposit service **cannot** be used to achieve the **“minimum” military technician** years of service for **eligibility** purposes

FERS - Disability Retirement Special NG Retirement Provision (PL 97-253)



Disability Retirement for Dual Status Military Reserve Technicians

- Public Law 97-253 for Military Reserve Technicians
- May be eligible for disability retirement **without** meeting eligibility requirements for regular disability retirement when:
 - The technician has at least 18 months of service,
- **AND**
- Suffers from a disabling condition that medically disqualifies them for military membership

FERS - Disability Retirement Special NG Retirement Provision (PL 97-253)



****IMPORTANT NOTE****

- **If the technician is also eligible for a Military Reserve Technician (MRT) retirement and OPM disapproves the disability application under FERS “regular” provisions, then the technician is NOT eligible for a disability retirement under the special provisions of PL 97-253**
- **The reason is that a MRT retirement is an involuntary retirement due to the loss of military membership with an immediate retirement annuity and immediate FERS special annuity supplement**

FERS and CSRS Offset



“CSRS Offset”

If you transferred to FERS with at least 5 years of civilian service creditable under CSRS, part of your annuity will be computed under CSRS rules, this 5 years or more is known as the CSRS Component

FERS and CSRS Offset



CSRS Component
Plus
FERS Component
Equals
Total Basic Annuity

Commencement Dates for Annuities



- **FERS Voluntary / Early Voluntary retirements:**
 - **Annuities commences the 1st day of month following the month of separation**
- **Discontinued Service / MRT Retirements:**
 - **Begins on the day after separation**
- **Disability Retirements:**
 - **Begins after the last day of pay**

FERS Retirement System



Annuity Computations



Elements of the Annuity



There are two components

- Creditable Service for Retirement Purposes
- High Three Average Salary

Elements of the Annuity – First Component



First Component - Creditable Service

- Total years of service that is deemed creditable for retirement calculation purposes
 - Service where FERS contributions were deducted or deposits were completed
- May include civilian service, active duty military service, and unused sick leave
 - Sick leave counts for annuity calculations only. It does not count towards the time required to reach retirement eligibility .
- Annuity is calculated using only whole years and months of service; fractional parts of a month or individual days are not used

Types of Potentially Creditable Service



- **LWOP - personal (up to 6 months per year)**
- **Worker's Compensation time**
- **Part-time Service (not temporary service)**
 - **Fully creditable towards eligibility but prorated for the computations**
- **Intermittent Service**
- **Breaks in service of up to 3 days**
- **Temporary or Non-Deduction service, only if performed before 1 Jan 1989 (with completed deposit)**
- **Title 10 Active Duty / "Qualified" title 32 (with completed deposit)**

FERS Creditable Service



Creditable Service

EXAMPLE:

Civilian	28 years,	1 mos.,	03 days
Military	04 years	2 mos.,	06 days
Equals	32 years,	3 mos.,	09 days
Equals	32 years,	3 mos.	XXXXX

FERS Non-Deduction Service



Any period of creditable civilian service during which the retirement deductions were **not** taken from base pay

- Temporary Service
- FICA Only Service

FERS Non-Deduction Service



FERS Credit For NON-Deduction Service

Civilian Service Performed prior to 1/1/89:

- If a deposit is not paid, the service is not creditable for retirement eligibility or computation of annuity
- If a deposit is paid, the service is creditable for retirement eligibility and computation of annuity

FERS Non-Deduction Service



FERS Credit For NON-Deduction Service (Cont.)

Deposit Calculation:

- Amount due will be equal to 1.3% of the basic pay earned in non-deduction employment, plus interest
- Interest rate charged is determined by when the non-deduction service was performed

FERS Non-Deduction Service



FERS Credit For NON-Deduction Service (Cont.)

Civilian Service performed on/or after 1/1/89:

- **No** retirement credit is allowed for non-deduction service performed on or after this date
- There is **no** deposit option

FERS Refunded Service



- Any period of creditable **civilian** service for which retirement deductions were withheld from base pay, and then later refunded to an employee upon separation from Federal employment
- A refund of FERS retirement contributions **will** result in the loss of credit for retirement annuity calculation purposes
- If reemployed, refunded service **is** still creditable for Leave and retirement eligibility calculations

FERS Redeposit



- There is now an option to make a **redeposit**
- The amount owed is 1.3% of basic pay, plus any accrued interest
- This will place the contributions back into the retirement fund
- With a completed redeposit the previous employment will be used towards **both** the retirement eligibility **and** the annuity calculations

Post-56 Military Service Deposits



FERS Credit for POST-56 Military Deposits

Post-56 military service is **not** creditable for retirement purposes under FERS **unless** the Military Service Deposit is completed.

Military deposits **CANNOT** be paid after separation/retirement. They **MUST** be paid prior to separating the agency.



Post-56 Military Service Deposits



Deposit Calculation:

- **Service prior to 1999 and after 2000 equals 3% of base pay earned plus interest if applicable – *Before Federal Service***
- **Service performed during 1999 equals 3.25% and service performed during 2000 equals 3.4% of base pay earned plus interest if applicable – *Before Federal Service***
- **Interest rate charged is determined by when non-deduction service was performed**
- **Interest Accrual Date (IAD) begins 2 years after your initial appointment date in a covered position**
- **Interest will start to be applied at the end of the 3rd year from the appointment date**

Military Service Deposits under USERRA rules



Deposit Calculation:

- **If military service falls under provisions of USERRA (During Federal Service), the deposit is the lesser of the military calculation or the amount of FERS contributions you would have paid**
- **Interest Accrual Date (IAD) is 2 years after your return to duty (RTD) date**
- **Interest will start being applied to any remaining balance at the end of the 3rd year after your RTD**

- **All deposits must be completed before you separate from the agency**
- **Deposit Cost Estimate Calculator available on DFAS website at:**
<http://www.dfas.mil/civilianemployees/militaryservice/militaryservicedeposits.html>

Military Deposit Process



- **Complete Form RI 20-97 *Estimated Earnings During Military Service*; send to the appropriate branch of service (addresses are on the ABC-C website). Include supporting documents (i.e.. DD 214s or orders)**
- **Upon receipt of estimated earnings from DFAS, complete SF 3108 page 1 and SF 3108A attach DD 214 and RI-2097**
 - **Forward to the ABC-C for Pre-Technician service.**
 - **Forward to HRO benefits section for USERRA service**
- **The ABC-C or HRO will calculate an estimate of the deposit owed and forward to DFAS.**
- **DFAS will finalize the amount owed and advise you of payment options. Payments are made by payroll deduction , lump sum payment by check directly to DFAS-Cleveland or online through the new pay.gov option.**
- **Ensure “Payment In Full” notice is filed in OPF.**

More information is available on the ABC-C website at: <https://www.abc.army.mil/retirements/retire.htm>

FERS Credit for Unused Sick Leave



Credit For Unused Sick Leave

- **Does not qualify towards minimum service requirements or eligibility requirements**
- **Added on top of creditable time for annuity calculation purposes only**
- **100% creditable service effective 1 Jan 2014 (refer to conversion chart)**
- **Employees with a vested CSRS benefit will receive credit for unused sick leave in the CSRS component of the annuity computation, subject to certain limitations**

Chart 2. -- Sick Leave Chart 2087 Hours

Chart for Converting Hours of Unused Sick Leave to Months and Days (See section 50A2.1-3G).

DAYS	1 Day	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
0	0	174	348	522	696	870	1044	1217	1391	1565	1739	1913
1	6	180	354	528	701	875	1049	1223	1397	1571	1745	1919
2	12	186	359	533	707	881	1055	1229	1403	1577	1751	1925
3	17	191	365	539	713	887	1061	1235	1409	1583	1757	1930
4	23	197	371	545	719	893	1067	1241	1415	1588	1762	1936
5	29	203	377	551	725	899	1072	1246	1420	1594	1768	1942
6	35	209	383	557	730	904	1078	1252	1426	1600	1774	1948
7	41	214	388	562	736	910	1084	1258	1432	1606	1780	1954
8	46	220	394	568	742	916	1090	1264	1438	1612	1786	1959
9	52	226	400	574	748	922	1096	1270	1444	1617	1791	1965
10	58	232	406	580	754	928	1101	1275	1449	1623	1797	1971
11	64	238	412	586	759	933	1107	1281	1455	1629	1803	1977
12	70	243	417	591	765	939	1113	1287	1461	1635	1809	1983
13	75	249	423	597	771	945	1119	1293	1467	1641	1815	1988
14	81	255	429	603	777	951	1125	1299	1472	1646	1820	1994
15	87	261	435	609	783	957	1130	1304	1478	1652	1826	2000
16	93	267	441	615	788	962	1136	1310	1484	1658	1832	2006
17	99	272	446	620	794	968	1142	1316	1490	1664	1838	2012
18	104	278	452	626	800	974	1148	1322	1496	1670	1844	2017
19	110	284	458	632	806	980	1154	1328	1501	1675	1849	2023
20	116	290	464	638	812	986	1159	1333	1507	1681	1855	2029
21	122	296	470	643	817	991	1165	1339	1513	1687	1861	2035
22	128	301	475	649	823	997	1171	1345	1519	1693	1867	2041
23	133	307	481	655	829	1003	1177	1351	1525	1699	1873	2046
24	139	313	487	661	835	1009	1183	1357	1530	1704	1878	2052
25	146	319	493	667	841	1015	1188	1362	1536	1710	1884	2058
26	151	325	499	672	846	1020	1194	1368	1542	1716	1890	2064
27	157	330	504	678	852	1026	1200	1374	1548	1722	1896	2070
28	162	336	510	684	858	1032	1206	1380	1554	1728	1901	2075
29	168	342	516	690	864	1038	1212	1386	1559	1733	1907	2081



Unused Annual Leave Under FERS



Payment for Unused Annual Leave

- You will receive a lump-sum payment for any unused annual leave
- Payment is made at your current hourly rate
- Payment is taxable in the year in which it is received
- If you retire before a new leave year begins, you'll receive payment for your maximum carry-over and any “use or lose” leave
- Annual leave **may not** be used as terminal leave upon retirement except under special circumstances such as if it's required to meet eligibility due to an involuntary separation (P.L. 78-525)

Other Leave Types Upon Separation



- **Military Leave – Forfeited upon separation**
- **Time off awards – Forfeited after 26 pay periods or upon separation**
- **Compensatory Time Earned**
 - **Title 5 - Pays out after 26 pay periods or upon separation**
 - **T32 dual Status – Forfeited after 26 pay periods or upon separation**
- **Compensatory Time for Travel**
 - **T5 or Title 32 – Forfeited after 26 pay periods or upon separation**

Elements of the Annuity – Second Component



Second Component - High 3 Average Salary

- **Highest rate of basic pay in effect over any 3 consecutive years of service**
- **Usually the last three years of salary, but it may be from a prior period of service where salary was higher than last 3 actual years worked**

High 3 Average Salary



What's Included in Basic Pay:

- **Locality pay**
- **Special pay rates**
- **Temporary promotions**
- **Night differential for WG employees**

High 3 Average Salary



What's Not included in Basic Pay:

- **Overtime Pay**
- **Holiday Pay**
- **Cash Awards and Bonuses**
- **Military Pay**

FERS Annuity Formula



FERS General Annuity Formula

If Retiring before 62 years of age:

(1.0% X Years & Months of service) x High-3

Example: MRA with 30 years under age 62 = 30% x High-3

If retiring after at or beyond age 62 with at least 20 years of service the multiplier changes from 1% to 1.1%:

(1.1% X Years & Months of service) x High-3

Example: MRA with 30 years at age 62 = 33% x High-3

FERS Annuity Formula



FERS General Annuity Formula

(1.0% X Years & Months of service) X High-3

**20 years of Service
\$60,000 High-three
Retiring before age 62**

(1% X 20 years) x \$60,000 = \$12,000 Annually

FERS Annuity Formula



FERS Annuity Formula if retiring at or beyond age 62 with at least 20 years of creditable service

(1.1% X Years & Months of service) X High-3

20 years of Service

\$60,000 High-three

Retiring at or beyond age 62

(1.1% X 20 years) x \$60,000 = \$13,200

FERS Special Annuity Supplement (SAS)



Special Annuity Supplement (SAS) Computations



FERS Special Annuity Supplement (SAS)



- Paid by OPM. Not social security.
- Payable up to age 62 when you retire on a voluntary immediate, unreduced annuity (i.e. MRA with 30 or 60 with 20)
- Payable **at** MRA if it's an early retirement (i.e. Early-Vol, DSR)
- Payable **immediately** if qualified under the special provision for military reserve technicians
- Not eligible if retirement is a deferred or reduced annuity such as an “MRA +10” or a disability

FERS Special Annuity Supplement (SAS)



- Supplement stops at age 62
- Fully taxed and is not increased for cost of living
- The Supplement is subject to an earnings test in any year your earned wages exceed the annual exempt amount **(currently at \$18,240 for 2020)**
- Earnings test does **NOT** apply if qualified under MRT rule **until** reaching your MRA

FERS Special Annuity Supplement (SAS)



General Formula used to calculate the retirement supplement:

$$\begin{aligned} & \text{Age 62 Social Security Benefit} \\ & \quad \times \\ & \text{(# of Years of FERS Service / Divided by 40)} \\ & \quad = \\ & \text{Benefit} \end{aligned}$$

FERS Special Annuity Supplement (SAS)



General Formula used to calculate the retirement supplement:

Example:

25 Years of FERS service

5 Years of Military Service

Social Security at age 62: \$1,334

$(25 / 40) \times \$1,334 = \833.75 per month

or

$.625 \times \$1,334 = \833.75 per month

(\$10,005 Annually)

***Military service is not included**

FERS Special Annuity Supplement (SAS)



Current Year (2020) Earnings Test: \$18,420

Example #1

Post Retirement Job	Annual SAS
\$10,000	\$10,000

Earned Income = \$10,000

SAS = \$10,000

Income is below the earnings test so there's no impact to the SAS

FERS Special Annuity Supplement (SAS)



Current Year (2020) Earnings Test: \$18,240

Example #2

Post Retirement Job	Annual SAS
\$10,000	\$10,000
\$20,000	\$9,120

Earned Income = \$20,000

SAS = \$10,000

$\$20,000 - \$18,240 = \$1,760$ over the limit

SAS is reduced by \$1 for every \$2 over the limit
 $\$1,760 / 2 = \880

The reduced SAS is: $\$10,000 - \$880 = \$9,120$

FERS Special Annuity Supplement (SAS)



Simple formula used to calculate when the supplement will be offset to zero:

(Special Annuity Supplement Amount X 2)

+

Current Years Earnings Test

FERS Special Annuity Supplement (SAS)



Current Year (2020) Earnings Test: \$18,240

Example #3

Post Retirement Job	Annual SAS
\$10,000	\$10,000
\$20,000	\$9,120
\$38,240	\$0

Earned Income = \$38,240

SAS = \$10,000

$\$38,240 - \$18,240 = \$20,000$ over the limit

SAS is reduced by \$1 for every \$2 over the limit

$\$20,000 / 2 = \$10,000$

The reduced SAS is: $\$10,000 - \$10,000 = \$0$

FERS Cost of Living Adjustments (COLAS)



FERS annuities are generally not indexed for a cost of living adjustment until age 62

The Exceptions:

Disability Annuitants

Survivor Beneficiaries

FERS Cost of Living Adjustments (COLAS)



Formula for Cost of Living Adjustments (COLAs)

If increase
in CPI is:

2% or less

2% to 3%

Above 3%

The amount
of COLA is:

Equal to increase

2%

CPI minus 1%

FERS Disability Benefits



Computation of Disability Benefits

FERS Disability Benefits



The first year :

You will receive **60%** of your high-3 average salary, **minus 100%** of any Social Security disability benefit that is payable

The second year until age 62 :

You will receive **40%** of your high-3 average salary, **minus 60%** of any Social Security disability benefit that is payable

FERS Disability Benefits



At age 62:

- **The annuity is recomputed using the FERS formula (1% X High-3 average salary times X years of service)**
- **Your original high-three average salary will be adjusted by all COLAs received up to age 62**
- **You will receive service credit for the time you have been on the disability rolls**

Obtaining a Retirement Estimates



- **Requesting an estimate of your retirement annuity is an important part of preparing for retirement.**
- **If you're within a 5 year tentative window of retirement eligibility, you may request an estimate.**
- **ABC-C will compute up to one retirement estimate per year if requested. You must have a GRB account established to proceed with the request.**
- **This retirement estimate will include things such as:**
 - **Verification of your military and civilian service that has been documented in your Official Personnel Folder (OPF).**
 - **Calculation of the amount of any civilian deposit and/or redeposit owed.**
 - **The impact of unpaid civilian deposits, redeposits, and military deposits on your retirement annuity.**
 - **Confirmation of your current FEHB and FEGLI enrollment and your eligibility to continue these benefits into retirement.**

Obtaining a Retirement Estimates



By Telephone

- **Requesting an estimate from ABC-C by utilizing the Automated Telephone System:**
- **Dial 1-877-276-9287**
- **Select option #3 for National Guard**
- **Briefly explain your current scenario and request an estimate.**
- **The estimate is usually received by mail at your HOR address in 2-3 weeks or by email at your provided email address**

Obtaining a Retirement Estimates



Through your GRB Account

- **Requesting an estimate from ABC-C through GRB:**
 - **Log into your GRB account**
 - **Click on the MENU button at the top of the page**
 - **Click on Requests**
 - **Click Submit a New Request and then follow the prompts**
 - **You will be asked to answer some questions to ensure your estimate fits your needs**
 - **Provide an email address. This is to send you a notification upon completion**
- **ABC-C will review your Official Personnel Folder and complete your estimate.**
- **You will receive an email notification that it has been completed.**
- **You will then log back into your GRB account and download the completed estimate.**

Obtaining a Retirement Estimates



Creating Your Own

- **You can also create your own estimate utilizing the calculator available in GRB:**
- **After logging into your GRB account click on the retirement tile and then select the calculator button.**
- **You can select the type of retirement and begin creating your retirement estimate.**
 - **Allows you to create different scenarios by adjusting your final salary and high-3 average salary, final sick leave balance, survivor benefit election, and your health insurance and life insurance options.**
- **This calculation method is dependent on the information entered for accuracy.**
- **Be aware that the leave SCD is used to calculate retirement. This may result in time that may not be creditable for retirement being included. i.e. temporary civilian or military service without a completed deposit**
- **If you have unpaid deposits, re-deposit's, part time service or other unusual circumstances the estimate should be requested through an ABC-C benefits counselor.**



Thrift Savings Plan (TSP)



Thrift Savings Plan



- **TSP Basic Highlights**
- **TSP Tax Benefits**
 - Tax Deferred
 - Roth TSP
- **Contribution Elections**
 - Uniformed / Civilian (FERS)
 - Catch up / Make up
 - Transfers into TSP
 - Allocation / inter-fund transfers
- **Investment Options**
- **Accessing your TSP Funds**
 - In-Service Options
 - Post-Service Options
- **Death Benefits**
- **Court Ordered Payments**

Thrift Savings Plan Highlights



- **RETIREMENT savings & investment program that provides an opportunity for you to increase your retirement savings and income**
 - **Must be in a position subject to retirement deductions**
- **Offers two ways to invest for tax benefit purposes;**
 - **Traditional (pre-tax) contributions and investment earnings are tax deferred**
 - **Roth (after tax) contributions – investment earnings are tax exempt**
- **Offers two approaches to investing**
 - **Individual Funds: G, F, C, S and I funds**
 - **Lifecycle Funds: Professionally determined mixture of the individual funds based on a specified time horizon or target date**
- **Return is based on type of investment**
- **Start, change, or stop contributions at any time through the Government Retirement & Benefits Platform (GRB)**

Thrift Savings Plan Tax Benefits



- **Traditional TSP participant contributions are Tax Deferred**
- **Contributions are payroll deducted from the gross bi-weekly salary directly deposited into your TSP account**
- **Federal taxes are then computed and withheld based against the reduced gross amount**
- **Taxes are deferred until a withdrawal of the account is made**

Thrift Savings Plan Tax Benefits



Example of Tax Deferred Benefit

Bi-weekly Basic Pay (gross)	\$1,470.00
TSP Election: (% or \$)	X 10%
TSP contribution :	\$147.00
Basis for Federal Tax Withholding	\$1,470.00
TSP payroll deducted	- \$147.00
Taxable Income:	\$1,323.00
Annual Income Earned:	\$38,220.00
TSP Contributions (26 X \$147.00):	- \$3,822.00
Taxable Annual Income :	\$34,398.00

Thrift Savings Plan Roth



Roth TSP

- **Allows participant to designate all or a portion of their contributions through payroll deduction to be contributed as post-tax Roth**
 - **Roth contributions may accrue federally tax-free earnings**
 - **Agency contributions will continue to be part of your traditional (non-Roth) balance**
- **Roth designation is made at agency payroll level (through GRB) prior to the contributions being deposited into the TSP**

Tax-Advantaged Savings



Do you need the benefit now . . . ?

- Mike makes tax-deferred contributions

Gross Income	\$40,000
Minus TSP contributions	<u>-\$2,000</u>
Adjusted income	\$38,000
Minus estimated federal Income tax	<u>\$5,245*</u>
Spendable income	<u>\$32,755</u>



- Ike makes after tax Roth contributions

Gross Income	\$40,000
Minus estimated federal Income tax	<u>-\$5,733*</u>
After tax income	\$34,267
Minus savings	<u>-\$2,000</u>
Spendable income	<u>\$32,267</u>

By contributing before-tax money to the TSP, Mike reduces his taxes and has about \$488 more to cover everyday Expenses

*IRS Publication 2017 Inst 1040; filing as single

As of Sep 28, 2017



Or Do you need the benefit later . . . ?

When Mike and Ike withdraw their balance:

- Mike's tax-deferred contributions and earnings will be subject to income tax

Future value of \$2,000*	\$8,077
Minus estimated federal	<u>\$808</u>
Income tax**	
Spendable income	<u>\$7,269</u>

- Ike's Roth contributions and earnings may be withdrawn tax-free

Future value of \$2,000*	\$8,077
Minus estimated federal	<u>-\$0</u>
Income tax	
Spendable income	<u>\$8,077</u>

In exchange for paying taxes up front and adhering to the Roth qualified distribution rules, Ike has about \$808 more to spend in retirement

*assumes 20 years of compound growth and 7% annual rate of return

**assumes same effective tax rate as previous slide

As of January 26, 2015

Traditional TSP vs. Roth TSP



The Treatment of:	Traditional TSP	Roth TSP
Contribution	Pre-Tax	After Tax
Your Paycheck	<i>Taxes are deferred</i> , so less money is taken out of your paycheck	<i>Taxes are paid up front</i> , so more money comes out of your paycheck
Transfers In	<i>Transfers</i> allowed from eligible employer plans and traditional IRAs	<i>Transfers</i> allowed from Roth 401(k)s, Roth 403(b)s, and Roth 457(b)s
Transfers Out	<i>Transfers</i> allowed to eligible employer plans, traditional IRAs, and Roth IRAs	<i>Transfers</i> allowed to Roth 401(k)s, Roth 403(b)s, Roth 457(b)s, and Roth IRAs
Withdrawals	<i>Taxable</i> when withdrawn	<i>Tax-free</i> earnings if five years have passed since January 1 of the year you made your first Roth contribution, AND you are age 59½ or older, permanently disabled, or deceased

Roth IRA vs. Roth TSP



	Roth IRA	Roth TSP
Income limits*	Not available to taxpayers with Adjusted Gross Income above certain limits. Reduced levels are: Married Filing Jointly - \$196,000 to \$206,000 Married Filing Separate - \$0 to \$10,000 All others - \$124,000 to \$139,000	Available to all participants regardless of income
Contribution Limits*	\$6,000 (\$7,000 if at least 50 years of age)	\$19,500 (plus an additional \$6,500 if at least 50 years of age)
Minimum distributions	Not subject to RMDs until the IRA owner dies	Roth contributions are treated the same as other elective deferrals with respect to RMDs
Rollover rules	May NOT be rolled into a Roth 401(k); a Roth IRA can only be rolled into another Roth IRA	Can be rolled into another Roth 401(k) OR a Roth IRA

*Based on 2020 IRS limits

TSP Contributions and Matching



Employee Contributes:	Agency Automatic Contribution:	Agency Matching:	Total Contributions:
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%
More than 5%	1%	4%	Employee's + 5%

TSP Employee Contribution Example



Bi-weekly Basic Pay (\$25.00 ph gross)	\$2000.00
TSP Election: 5%	\$100.00
<hr/>	
*1% Agency (LES = TSP basic)	\$20.00
*4 % Agency Match (LES = TSP Matching)	\$80.00
<hr/>	
<u>**FREE MONEY**</u>	\$100.00

Each pay total contribution: \$ 200.00

***Agency contribution and match is calculated against bi-weekly gross pay.**

TSP Contribution Elections



- **Agency Contribution** - 1% of the “gross amount” of bi-wkly pay
 - **NOT** based on employee contribution
 - Subject to **3 year vesting**
- **Employee Contribution** - Eligible to contribute at hire date
 - Contribution amount may not exceed the total annual elective deferral limit
- **Newly hired** technicians are automatically enrolled at a rate of 3% in the traditional tax deferred TSP
 - You may opt out or discontinue contributions
- Employee Contributions **and** Agency matching contributions are NOT subject to vesting requirement

Maximum Annual Contribution



- **You can Contribute:**
 - **Up to 100% of basic pay – may meet limits too fast and cost matching contributions!**
 - **subject to the IRS Code annual limits**
 - **Sec 402(g), elective deferral limit (\$19,500 for 2020)**
 - **Sec 415(c), annual additions limit (\$57,000 for 2020)**
- **Combat Zone Tax Exempt (CZTE) contributions**
 - **Maximum Combat Zone tax exemption for enlisted and WO is up to 100% of pay**
 - **Maximum Combat Zone Tax Exemption for officers is limited to the highest rate of enlisted pay. (plus imminent danger/hostile fire pay received)**
 - **\$8,803.50 per month (\$8,578.50 + \$225 imminent danger pay) for 2019**

(IRS Publication 3, page 15, dated 20 Feb 2020)

Maximum Annual Contribution



ELECTIVE DEFERRAL LIMIT:

Year: **Annual Limit:**

2020 **\$19,500**

Approximately \$750.00 per pay period for 26 pay periods

Catch-Up Contribution



- Available to TSP participants in January of the year they reach **age 50**
- Additional contributions are a ***supplement*** to regular employee contributions and are in addition to the annual elective deferral limits
- Must be in a pay status and contributing the maximum in regular elective contributions to your TSP account
- Catch-up contributions are **NOT** matched
- Contributions elections are made using Form TSP-1-C or submitting a transaction in GRB
- Must be initiated every year in a whole dollar amount - doesn't carry over to next year
 - TSP plans to switch to the “Spillover Method” beginning in the first pay period of 2021
 - Individuals will no longer have to reenroll. It will automatically carry forward once they have reached the elective deferral limit for that year
 - Will help to prevent loss of agency matching caused by trying to time contributions

Catch-Up Contribution Limits



May begin contributions in the YEAR you turn 50

Annual Contribution Limit

2020* = \$6,500

Possible Total Annual Deferred Contribution

$\$19,500 + \$6,500 = \$26,000$
(Regular + catch-up)

(Note: uniform services in a combat zone: $\$57,000 + \$6,500 = \$63,500$)

*subject to increases to reflect inflation

Employees in a Non-Pay Status



- **Employees in a non-pay status may not contribute to TSP; agency automatic and matching contributions will also stop (If on Absent-US employee may enroll or contribute in uniformed service TSP)**
- **Employees cannot obtain a loan while in a non-pay status**
 - **Potential exceptions during a lapse in appropriations**
- **Employees MAY change contribution election, make inter-fund transfer or make an in-service withdrawal**
- **Employees who return to pay status cannot make up contributions for periods of non-pay (Exception for USERRA)**

Deployments and Military Service



- **USERRA**
 - **Uniformed Services Employment Reemployment Rights Act**
- **Entitles Fed employees during ABSENT-US:**
 - **Make-up missed Contributions**
 - **Request the Agency Contribution (1%)**
 - **Request the Agency Matching Contribution (up to 4%)**
- **Make up Payments**
 - **Installments or Lump sum**
 - **Uniformed TSP contributions**
 - **Must be requested through HRO within 60 days of the return to duty**



***Must have all active duty Military and Civilian LESs**

Make-Up Contributions



- **Make-up contributions are subject to the limit for the year they should have been made. They do not count against the current year's limit**
- **The amount you can make up will be reduced by any amounts you contributed to your uniform TSP**
- **In the event a person exceeds the IRS maximum contribution TSP will refund the excess contributions when the overage occurs**
 - **The refund will come from the uniform TSP first if applicable**

Transfers and Rollovers into the TSP



- **Active or separated participants may transfer or rollover into their TSP using money from:**
 - **Eligible employer plans under the Internal Revenue Code (IRC)**
 - **e.g. 401(k), 403(a), 403(b) or 457(b) governmental plans**
 - **Traditional and SEP individual retirement accounts or annuities (IRAs) under section 408(a) or 408(b) of the IRC**
 - **Does not include Roth, SIMPLE, education, or inherited IRAs**
- **Submit Form TSP-60/TSP-U-60 available from the TSP website**
- **The amount transferred or rolled over into the TSP account is allocated according to the current contribution allocation on file**

Investment Considerations



Time Horizon



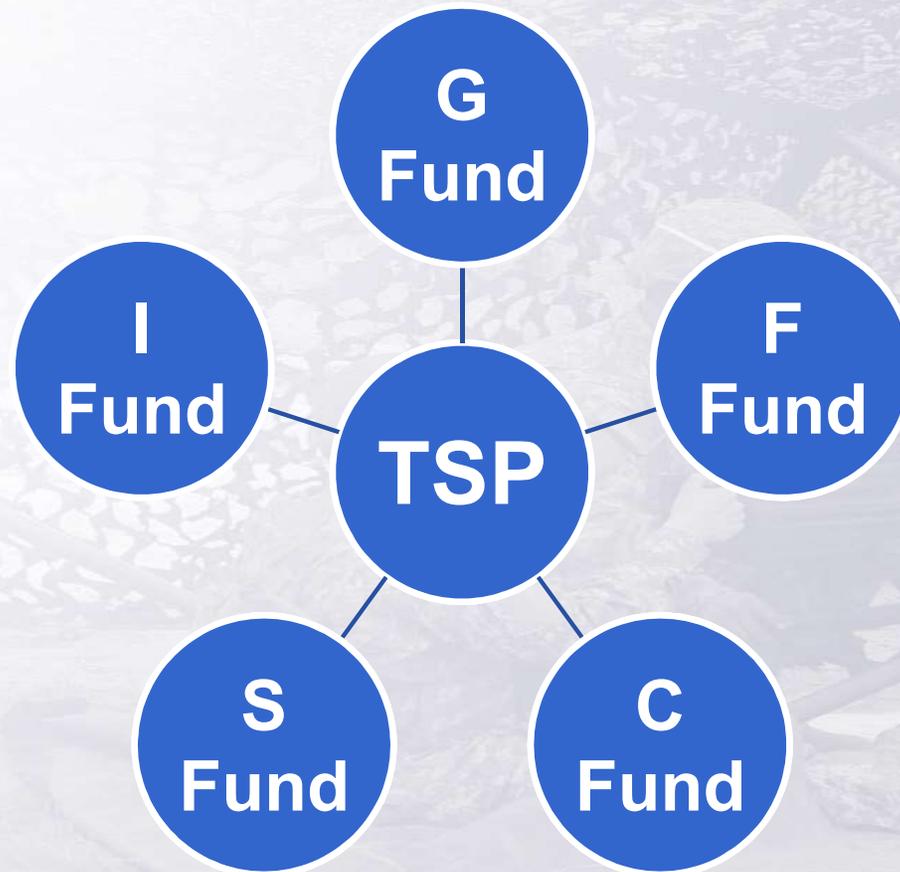
Risk Tolerance



Diversification



Diversification Within TSP



TSP G FUND



Government Securities Investment Fund

- Invested in short-term non-marketable Treasury securities
- Investments are **not** subject to Credit Risk or Market Risk
- Rates of return may be lower than those of other TSP funds over the long term
- Low Risk

TSP F FUND



Fixed Income Index Investment Fund

- **Government, corporate and mortgage backed bonds**
- **Invested in bond index fund that tracks Barclays Capital U.S. Aggregate bond index**
- **Offers opportunity for increased rates of return relative to the G Fund over the long term**
- **This fund carries credit and market risk, and has potential for negative rates of return**
- **Low to moderate risk**

TSP C FUND



Common Stock Index Investment Fund

- **Contains common stocks of large and medium sized companies that represent the U.S. stock markets**
- **To Match the performance of the Standard and Poor's 500 (S&P) stock index**
- **Offers opportunity to diversify investments and to earn the relatively high return stocks can provide over the long term**
- **The total dollar value of the stocks in the S&P 500 makes up approximately 75% of the value of the U.S. stock markets**
- **Effect of poor performance of individual stock or industry is lessened**
- **Total C Fund return could be negative, resulting in a loss**
- **Moderate Risk**

TSP S FUND



Small Capitalization Stock Index Fund

- **Small to Medium Sized U.S. Companies, not included in the S&P 500 index (C Fund)**
- **Tracks the performance of the Dow Jones U.S. Completion Total Stock Index**
- **S Fund investments are expected to be more volatile in the short run than C Fund investments and may have potentially higher returns**
- **Moderate to High Risk**

TSP I FUND



International Stock Index Investment Fund

- **International Stocks of more than 20 developed countries**
- **Invested in stock index fund that tracks the Morgan Stanley Capital International EAFE (Europe, Australia and Far East) index**
- **Returns tend to fluctuate more than S&P 500 or Dow Jones TSM Index returns**
- **Investment are subject to both market and exchange rates**
- **I Fund investments are expected to be more volatile in the short run than C or S Fund investments**
- **Moderate to High Risk**

Lifecycle Funds



- **The Lifecycle Funds are a series of funds that use all of the individual TSP funds to create a portfolio based on the expected date for withdrawing the money**
- **Funds will automatically “rebalance” investments based on returns of the individual funds and your time horizon**
- **Subject to the risks of the individual funds but the total risk is reduced through diversification**
- **Five Lifecycle Funds became available in 2005 in ten year increments**
 - **TSP is planning to add five more, in five year increments beginning with the 3rd quarter of 2020.**

Lifecycle Funds



- **Only the five existing TSP Funds are used**
- **Funds with longer time horizons will be invested primarily in equities (C, S and I Funds)**
- **Income Fund will largely, but not entirely be invested in fixed income (G and F Funds)**
- **Over time, as target date nears, fund allocations will move toward fixed income to reduce “risk”**

Lifecycle Funds



There are 5 Lifecycle Funds

FUND	TIME HORIZON	GROWTH	RISK	Preservation of Assets
L Income	Today and the near future	Low	Low	High
L 2020	2015 through 2024	Moderate	Moderate	Moderate
L 2030	2025 through 2034	Moderate to High	High	Low
L 2040	2035 through 2044	High	High	Low
L 2050	2045 or Later	High	High	Very Low

Lifecycle Funds



Percentage Allocations (as of Jan 2020)

FUND	G	F	C	S	I
L Income	72.61%	5.89%	11.17%	2.80%	7.53%
L 2020	69.58%	5.99%	12.66%	3.22%	8.55%
L 2030	32.92%	6.96%	30.51%	8.57%	21.04%
L 2040	20.57%	7.68%	35.88%	10.76%	25.11%
L 2050	10.37%	7.88%	40.11%	13.03%	28.61%

Allocations and Inter-fund Transfers (IFT)



Allocation

vs.

Inter-fund Transfer

- Identify which funds you want your contribution deposited
- Allocate future contributions
- Changes of an allocation is generally effective as of close of business each day based on 12 noon ET cutoff
- Change thru Thrift line or web
- Confirmation via email

- Move a portion or all of a balance between Funds
- Two IFT per month- after that you can move ONLY to the “G” fund.
- Changes for IFT are generally effective as of close of business each day based on 12 noon ET cutoff
- Thrift Line, or Web site
- Confirmation via email

Allocation and Inter-fund Transfer request are submitted by the individual through the TSP Thrift line at 1-877-968-3778 or on the TSP website at www.tsp.gov

Accessing Your TSP Funds



- **In Service Options**
 - **TSP Loan Program**
 - **Age Based Withdrawal**
 - **Financial Hardship Withdrawal**
- **Post Service Options**
 - **Withdrawal(s)**
 - **Annuities**
 - **Rollovers or Transfers**

TSP Loan Program



- **Must be a current employee in a paid status; retirees may not obtain a loan**
- **Must have at least \$1,000 of own contributions and earnings**
- **Loan Amounts**
 - **Minimum \$1,000** - **Maximum \$50,000 (IRS Limit)**
- **Payments made by payroll deduction. Additional payments or loan pay off may be made at any time (Coupons are available online)**
- **Loan fee: \$50.00 for admin cost**
- **Two types of loans available**

TSP Loan Program



General Purpose Loans:

- May be used for any purpose
- Repayment is from 1 to 5 years
- No loan documentation is required

Residential Loans:

- Used for purchase of primary residence
- Repayment period is from 1 to 15 years
- Documentation is required to support the loan

***The Spouse of a married FERS employee must consent to the loan agreement**



In-Service Withdrawals



Age-Based in-service withdrawal

- Available to employees who are age 59 ½ or older
- May take up to four in-service withdrawals per calendar year - New Rule
- Minimum amount of withdrawal is \$1,000 or entire vested account balance, whichever is less
- Taking in-service withdrawals does not prevent you from taking post-separation partial withdrawals
- Withdrawal permanently reduces account balance

In-Service Withdrawals



Financial Hardship in-service withdrawal

- Available to employed participants (regardless of age/ may have tax consequences) who demonstrate financial hardship
- May withdraw only your own contributions and attributable earnings
- Minimum withdrawal cannot be less than \$1,000
- No limit on the # of withdrawals, but there is a 6-month waiting period between applications
- During the 6-month waiting period, you are **no longer suspended** from making employee contributions and receiving the agency matching contributions; unless you elect to change or suspend your contributions



In-Service Withdrawal Taxes

Tax Consequences

- **Taxable for Federal income tax purposes in the year in which received**
- **Subject to mandatory 20% Federal income tax withholding, which cannot be waived**
- **Financial hardship withdrawals taken under age 59 ½ are subject to an early withdrawal penalty tax (10%)**

In-Service Withdrawals



Spousal Consent

- **Married FERS employee must receive spousal consent prior to making an in-service withdrawal**
- **If a spouse's whereabouts are unknown, you may request a waiver using Form TSP-16**

Post-Service Withdrawals



Leaving Your Money In The TSP Account

As long as your vested balance is over \$200, you may leave your money in the plan until 1 April of the **later** of two dates:

Either:

- The year you attain age 72

OR

- The year following the year you separate from Federal service
- Account continues to grow
- Interfund transfer options

Post-Service Withdrawals



- **No limit to the total number of partial withdrawals from account**
 - **However, limited to no more than one every 30 calendar days**
- **Can receive account balance in a single payment**
- **Able to receive monthly, quarterly or annual payments**
- **Ability to start, stop or make changes to installment payments at any time**
- **Choose whether payments come from Roth, Traditional or both**
- **Purchase an annuity**
- **Transfer or Rollover account balance to an IRA or another qualified plan under the Internal Revenue Code (IRC)**
- **Elect any combination of the above to affect entire account balance**

Early Withdrawal Penalty



EARLY WITHDRAWAL PENALTY TAX

- This tax is an additional 10% of the total amount directly received from TSP, unless payments are transferred or rolled over
- If you separate or retire **before** the year in which you turn **age 55**, the 10% penalty tax is applicable until you reach age **59 ½**
- If you separate or retire **during or after** the year in which you reach **age 55**, the 10% early withdrawal penalty no longer applies

*(IRS Code 72(t)(2)(A)(v))



Early Withdrawal Penalty - Exceptions

Early Withdrawal Penalty Tax Exceptions

Exceptions to the penalty include:

- Annuity payments
- Payments made because of death
- Payments to disability retirees (as defined by social security)
- Payments computed by TSP using Life Expectancy Tables
- Distributions used for payment of medical expenses that would be deductible under the Internal Revenue Code
- **NOTE for ROTH TSP: Becomes qualified or tax free upon meeting both of the following conditions:**
 - 5 years have passed since 1 January of the year you began contributions
 - You have reached age 59 ½ or have a permanent disability

Eligible Rollover Distributions



Eligible Roll Over Distributions:

- **Single payment**
- **Automatic cash-outs**
- **Equal monthly payments to be paid out in less than 10 years (not using Life Expectancy Tables)**
- **Death benefits paid to the spouse of a deceased participant**

***These payments may be subject to a mandatory 20% tax withholding, which may be avoided on all or any portion of an eligible rollover distribution by having TSP make a direct transfer to an IRA or other eligible retirement plan.**

(see www.tsp.gov for roll over rules on ROTH)

Periodic Payments



PERIODIC PAYMENTS:*

- Equal payments to be paid out in 10 years or more
 - Equal payments computed by TSP using IRS Life Expectancy Tables
 - Single Life Table until age 71
 - Uniform Lifetime Table beginning at age 71
 - May create a substantial decrease in amount received for several years
 - Life Annuity payments
- * Withholding is based on the assumption you are married claiming 3 allowances, unless you submit Form W-4P directing otherwise.

Non-Periodic Payments



NON-PERIODIC PAYMENTS: *

- **Financial hardship withdrawals**
- **Required minimum distribution payments after reaching age 72**
- **Death benefits paid to a non-spouse beneficiary**
- **Court-ordered payments made to someone other than the spouse or former spouse, including child support**

*** TSP will withhold 10% from these payments, unless you submit Form W-4P directing otherwise.**

TSP Annuities



Single Life Annuities – 6 Options

Level Payments:

- **With no additional features**
- **With Cash Refund feature**
- **With 10-year Certain feature**

Increasing Payments:

- **With no additional features**
- **With Cash Refund feature**
- **With 10-year Certain feature**

TSP Annuities



Joint Life Annuity With Spouse – 8 Options

Level Payments:

- 100% survivor annuity
- 50% survivor annuity
- 100% survivor annuity with Cash Refund feature
- 50% survivor annuity with Cash Refund feature

Increasing Payments:

- 100% survivor annuity
- 50% survivor annuity
- 100% survivor annuity with Cash Refund feature
- 50% survivor annuity with Cash Refund feature

TSP Annuities



Joint Life Annuity With Other Survivor – 4 Options

Level Payments:

- **100% survivor annuity**
 - **50% survivor annuity**
 - **100% survivor annuity with Cash Refund feature**
 - **50% survivor annuity with Cash Refund feature**
- * The joint annuitant must have an “insurable interest” in you (be financially dependent on you and able to reasonably expect to derive financial benefit from your continued life).**

TSP Modernization Act (P.L. 115-84)



TSP Withdrawal Options Bill Becomes Law

On November 17, 2017, the TSP Modernization Act of 2017 was signed into law. Implementation was effective September 15, 2019. It provides TSP participants with more flexible withdrawal options.

- Eliminates the statutory prohibition on multiple post-separation withdrawals and multiple age-based withdrawals while a participant is still working.
- Removes the restriction that participants cannot take partial post-separation withdrawals if they've already taken an age-based in-service withdrawal.
- Allows separated participants who are over age 70½ to remain in the TSP, eliminating the requirement to make a withdrawal election on an entire account balance.
- Participants will also be able to stop monthly payments, change payment frequency, or elect to purchase an annuity while receiving monthly payments.
- * The Executive Director of the FRTIB has the authority to establish parameters regarding this new ability to take multiple withdrawals. The law gave the FRTIB up to two years to make the regulatory and operational changes necessary to enact these changes.

TSP Death Benefits



- **Paid To Whom:**
 - **Based on TSP-3, Designation of Beneficiary**
 - **If there is no TSP-3 on file benefits will be paid in Statutory Order of Precedence**
- **How:**
 - **Use TSP-17, Information Regarding Deceased Participant**
 - **Paid as a Single Payment-subject to 20% Federal Tax**
 - **Spouse may establish a TSP account in his/her own name or transfer to an IRA or other eligible employer account (no taxes withheld)**

Court Ordered Payments



- **Amounts in the account are held in trust for the participant. TSP accounts are not subject to execution, levy, attachment, or other legal process (5 U.S.C. 8347(e)(2))**
- **Court ordered payments for divorce, alimony, child support, and child abuse are honored by the TSP (5 U.S.C. 8347(e)(3))**

Court Ordered Payments



- **The TSP will honor the following court orders:**
 - **Payment of child support**
 - **Matrimonial Settlement Agreement**
 - **Alimony**
 - **Civil cases involving child abuse**
 - **Victim Restoration Act**



Court Ordered Payments



- **Method of payment:**
 - **Cash payment to spouse/former spouse or attorney/child support authority**
 - **Spouse/former spouse payment subject to 20% Federal tax withholding**
 - **All or any portion may be transferred to:**
 - **IRA**
 - **Equivalent employer plan (401(k), 403(a) or 403(b))**
 - **If a TSP participant, his/her account**

Court Ordered Payments



- **Process:**
 - **Attorney reads TSP Booklet “Information about Court Orders”**
 - **A valid, complete court order is submitted to the TSP Service Office**
 - **Paralegal section reviews the order to ensure it is valid and TSP is able to pay**
 - **Invalid court orders are returned to submitter with copy of the booklet**

Court Ordered Payments



- **The process (continued)**
- **If a complete, valid court order is received:**
 - **The account is placed on hold until the order is paid**
 - **The participant may not apply for or receive a loan or withdrawal until the payment is made**
 - **Court order notices are mailed to participant and payee**
 - **Spouse/former spouse given the opportunity to transfer payment to qualifying IRA**
 - **Participant given opportunity to waive tax with-holding on child support payment**

Court Ordered Payments



- **The process (continued):**
 - **Payment is made within 60 days of TSP mailing notice**
 - **Payee can request a payment within 31 days of TSP mailing the notice**
 - **Spouse/former spouse responsible for reporting amount paid as alimony or a matrimonial settlement**
 - **Participant responsible for reporting amount paid for child support (Amount may be subject to IRS early withdrawal penalty)**

Thrift Savings Plan - TSP



TSP Contacts and References

- **THRIFTLINE (TOLL FREE) – 1-877-968-3778**
- **THRIFT INVESTMENT BOARD – 202-942-1460**
- **FAX – 1-866-817-5023**

Federal Employee Benefits - Insurances



FERS

Additional Federal Employee Benefits

FEHB
FEDVIP
FSA
FEGLI



FLTCIP
NGAUS
TCC

Federal Employee Health Benefits (FEHB)



Federal Employees' Health Benefits (FEHB)



FEHB Plan Features



- **No waiting periods**
- **Choice of coverage**
- **Choice of plans and options**
- **Government contribution**
- **Premium Conversion (Only while employed)**
- **Same Annual Open Season**
- **Continued group coverage**
- **Tricare suspension option**

FEHB Coverage After Retirement



To be eligible to continue FEHB coverage into retirement you must:

- **Be eligible for an immediate annuity**
- **Be insured on the date of retirement**
- **Have been enrolled (or covered as a family member) for 5 years immediately preceding retirement, or since your first opportunity to enroll**
- **Tri-Care during mobilization is considered federally sponsored insurance and counts towards the five year requirement**
 - **Request a Certificate of Creditable Coverage from DEERS (It must reflect or confirm that there were no gaps in between coverages)**

FEHB Coverage for Surviving Family Members



For surviving family members to be eligible to continue FEHB coverage:

- **They must have been covered as a family member on the employee or retiree's date of death,**

AND

- **At least one family member must be entitled to a survivor annuity**

Temporary Continuation of Coverage (TCC) - if ineligible for FEHB



TCC Benefits

- Provides up to 18 months additional coverage to employees/retirees after separation from Fed Service
- Provides up to 36 months additional coverage for family members upon loss of status as eligible family member
- Enrollee must pay the entire premium, plus a 2% admin fee

FEHB and Medicare



- If you are 65 or older and **still working**, FEHB is primary payer and Medicare is secondary
- If you are 65 or older and **no longer working**, Medicare is primary payer and FEHB is secondary

FEHB and Medicare



- You may choose to **suspend** your FEHB coverage to enroll in a Medicare managed care plan
 - This requires the submission of OPM form RI 79-9, Health Benefits Cancellation/Suspension Confirmation.
- If you suspend FEHB coverage, you can opt back in during any open season
- If you cancel FEHB coverage it's a permanent decision

FEHB and Tricare



- After retirement, you may choose to **suspend** your FEHB coverage to enroll in TRICARE or TRICARE for Life
 - This requires the submission of OPM form RI 79-9, Health Benefits Cancellation/Suspension Confirmation.
- If you suspend FEHB coverage, you can opt back into FEHB during any open season
- If you cancel FEHB coverage it's a permanent decision

FEHB and Tricare for Life (TFL)



- **To be eligible for TFL, you must enroll in Medicare Part B**
- **Provides expanded medical coverage for Medicare-eligible military retirees, family members, widow/widowers and certain former spouses**
- **When you become eligible for Medicare after retirement, Medicare is the primary payer, FEHB is secondary, and TFL pays third**

Federal Employees Dental and Vision Insurance Program (FEDVIP)



- Must be **eligible** for FEHB
- Can enroll in dental, vision or both
- Self Only, Self & Family, Self & One
- Pre-tax benefit (while employed)
- <https://www.benefeds.com/>

ENROLL AT

<https://www.benefeds.com>

1-877-888-3337

TTY 1-877-889-5680

Vision Benefits

Diagnostic Services

Preventative Services

Eyewear

- Glasses
- Contacts

Dental Benefits

Diagnostic

Preventative

Emergency Care

Restorative

Oral/Maxillofacial Surgery

Endodontics

Periodontics

Prosthodontics

Orthodontics



Flexible Spending Accounts (FSA)

To receive more information regarding FSAs, please contact a FSAFEDS Benefits counselor.

Retirees are not eligible to continue the use of a FSA.

Email: FSAFEDS@adp.com

Telephone: 1-877-FSAFEDS (1-877-372-3337)

TTY: 1-800-952-0450

- Mon-Fri 9 a.m. – 9 p.m. ET
- Closed Weekends and Holidays
- <http://www.fsafeds.com>



Federal Employees Group Life Insurance (FEGLI)



FEGLI After Retirement



To be eligible to continue FEGLI coverage into retirement you must:

- **Be eligible for an immediate annuity**
- **Be insured on the date of retirement**
- **Been enrolled in each option or multiple for 5 years immediately preceding retirement, or since your first opportunity to enroll**
- **Insurance elections may be retained at the same level or reduced; but not increased going into retirement**
- **Annuity must be sufficient to cover the premiums**

***Rates and information at: <https://www.opm.gov/healthcare-insurance/life-insurance/>**

FEGLI Basic Coverage



- **Annual rate of basic pay, rounded up to the next even \$1,000 plus an additional \$2,000**

Example:

Basic pay of \$47,800

Rounded up to \$48,000

Add an additional \$2,000

$\$48,000 + \$2,000 = \$50,000$

Basic Insurance Amount is: \$50,000

- *If under age 35 the basic insurance amount is doubled at no extra cost
- *Beginning on 36th birthday it decreases by 10% per year until age 45

FEGLI Basic Coverage Elections at Retirement



Election options at retirement:

- **Waive FEGLI coverage**
- **No Reduction - Maintains full amount of basic coverage**
- **50% Reduction - Coverage reduces by 1% per month for approximately 50 months until it reaches 50% of it's initial amount**
- **75% Reduction - Coverage reduces by 2% per month for approximately 37.5 months until it reaches 25% of it's initial amount**
 - **Reductions, if applicable, begin at age 65 or at the time of retirement, whichever is later**
- **Must maintain basic coverage to maintain any optional coverages**

FEGLI Basic Coverage Elections at Retirement



Cost per \$1,000 of Basic Insurance at retirement

Time	75% Reduction	50% Reduction	No Reduction
Until the month after your 65 th Birthday	\$0.3250 per month	\$1.0350 per month	\$2.4550 per month
Starting the month after your 65 th birthday	Free	\$0.71 per month (continues for life unless cancelled or changed to 75% reduction)	\$2.13 per month (continues for life unless cancelled or changed to 75% reduction)

FEGLI Option A Coverage



- **Standard \$10,000 coverage**
- **The only election options for Option A FEGLI at retirement are to either retain or drop coverage**
- **If you choose to retain Option A coverage, you will pay premiums up to age 65.**
- **At age 65, the value of the coverage decreases by 2% per month for approximately 37.5 months, until it reaches \$2,500**

FEGLI Option A Coverage



Cost for Option A at retirement

Age Group	Rate/Cost
Under 35	\$0.43
35-39	\$0.65
40-44	\$0.87
45-49	\$1.52
50-54	\$2.38
55-59	\$4.33
60-64	\$13.00
65+	Free

***Rates are subject to change in the future**

FEGLI Option B Coverage



- **Current Salary rounded up to nearest thousand multiples of 1 thru 5**
- **Full Reduction – At age 65, no cost & coverage begins reducing by 2% per month for approximately 50 months at which point the coverage will end**
- **No Reduction - Continue coverage on an unreduced basis by continuing to pay premiums after age 65**
- **If you elect unreduced coverage, you may later cancel that election and revert to reducing coverage**

FEGLI Option B Coverage



Cost per \$1,000 for Option B at retirement

Age Group	Rate/Cost per \$1,000
Under 35	\$0.043
35-39	\$0.065
40-44	\$0.087
45-49	\$0.152
50-54	\$0.238
55-59	\$0.433
60-64	\$0.953
65 and over - If full reduction	Free

Age Group	Rate/Cost per \$1,000
65-69 - If no reduction	\$1.170
70-74	\$2.080
75-79	\$3.900
80 and above	\$5.720

***Rates are subject to change in the future**

FEGLI Option C Coverage



- **Family members are automatically covered. You may elect multiples of 1 thru 5. Each multiple is equal to \$5,000 for your spouse and \$2,500 for each eligible dependent child.**
- **Full Reduction – At age 65, no cost & coverage begins reducing by 2% per month for approximately 50 months at which point the coverage will end**
- **No Reduction - Continue coverage on an unreduced basis by continuing to pay premiums after age 65**
- **If you elect unreduced coverage, you may later cancel that election and revert to reducing coverage**

FEGLI Option C Coverage



Cost per multiple for Option C at retirement

Age Group	Rate/Cost per multiple
Under 35	\$0.48
35-39	\$0.59
40-44	\$0.89
45-49	\$1.28
50-54	\$1.99
55-59	\$3.21
60-64	\$5.85
65 and over - If full reduction	Free

Age Group	Rate/Cost per multiple
65-69 - If no reduction	\$6.80
70-74	\$8.30
75-79	\$11.40
80 and above	\$15.60

- Rates for Option C - Family
- 1 Multiple = \$5,000 For a Spouse
- 1 Multiple = \$2,500 For Each Eligible Dependent Child

***Rates are subject to change in the future**

FEGLI – Living Benefits



- **Lump sum is payable if:**
 - **Terminally Ill**
 - **Medical Documentation shows life expectancy to be 9 months or less**
- **Lump-sum payment equal to the basic**
- **Annuity amount is reduced based on the post-56 election made**
- **Current employees may elect a partial payment**
- **This election is irrevocable**

Order of Precedence



Who receives the death benefit?

- **Valid Court Order**
- **Designated beneficiary or assignee (As indicated on the SF 2823)**
- **Spouse (Widow or Widower)**
- **Child or children equally (and/or descendants of deceased children)**
- **Parent or parents**
- **Executor or administrator of estate**
- **Next of kin, per the laws of your state of residence at the time of death**

Designation of Beneficiary Forms



There are **4** different types of recommended beneficiary forms you may wish to complete:

- **SF 2823 - For your FEGLI benefits**
- **SF-1152 - For unpaid compensation if you die while Federally employed**
- **SF-3102 (FERS) for un-recovered contributions to the retirement fund**
- **TSP-3 - For your TSP account balance (send directly to TSP)**

Federal Long Term Care Insurance Program (FLTCIP)



An insurance program designed to protect the Federal family against high costs of long term care. Can help pay for a wide range of services, including:

- **Nursing Home Care**
- **Assisted Living Facility Care**
- **Adult Day Care**
- **Respite Care**
- **Home Health Care**
 - **Car/Sports accident**
 - **Disabling injury**
 - **Stroke**



Federal Long Term Care Insurance Program (FLTCIP)



Benefit Periods

- Two years, 730 days
- Three years, 1,095 days
- Five years, 1,825 days

Daily Benefit Amount choices from \$100 - \$450 in \$50 increments

90 day wait period before benefits are payable

Apply and enroll *online*, answer a few health questions.

Qualified Relatives can also apply.

Premiums are based on age and health.

www.opm.gov/insure

Federal Long Term Care Insurance Program (FLTCIP)



Want to talk with a Certified Long Term Care Insurance Consultant?

Tel: 1-800-LTC-FEDS (1-800-582-3337)

TTY: 1-800-843-3557

Mon - Fri 8 a.m. - 8 p.m. ET

Sat 9 a.m. - 5 p.m. ET

Closed Sun and Federal holidays.

<http://www.ltcfeds.com>

FERS Retirement System



Federal Employee's Survivor Benefits



Death In-Service

Potential Eligible Survivors Include:

- **Your spouse**
- **A former spouse with a court-ordered entitlement**
- **Your children**



Death In-Service

Surviving Spouse's Eligibility Requirements:

- Married to deceased employee at least 9 months, **or**
- Employee's death was accidental, **or**
- There is a child born of the marriage

FERS Survivor Benefits – Death In-Service



Basic Employee Death Benefit (BEDB)

Length of Service:

Benefits Payable:

18 mos. up to 10 yrs..... Lump sum payment of

\$34,542 (2020), **PLUS**

Lump sum = the *higher* of:

- 1/2 of annual pay, or

- 1/2 of high-3 salary

10yrs or more All the above, **PLUS**

a survivor annuity = 50% of the
earned annuity as of the date
of death



Lump-Sum Payment

Lump sum payment of retirement contributions is paid in accordance with the standard *order of precedence*, in the absence of an eligible spouse, former spouse or child entitled to a survivor annuity.



FERS Survivor Benefits – At Retirement



Survivor Annuity Options At retirement:

There are 3 election options for **spouse or former spouse** survivor benefits:

- **No survivor benefit**
- **Maximum survivor benefits**
- **Partial survivor benefits**
 - Designating anything **less than** the maximum survivor annuity will require that you obtain the spouse's notarized written **consent**



Survivor Annuity

The cost to provide the survivor benefit is calculated as follows:

- **10%** of the retirees base annuity will provide a **maximum** benefit of **50%** to survivor

Or

- **5%** of the retirees base annuity will provide a **partial** benefit of **25%** to survivor

FERS Survivor Benefits – At Retirement



Cost for Survivor Benefits

Example using \$15,000 as the retiree's annuity(Base):

10% of Base (\$15,000) = \$1,500

The Cost is: \$1500 / 12 = \$ 125 per month

The retirees annuity is reduced to: \$13,500

Maximum survivor benefit (50% of base) = \$7500

\$7500 / 12 mos. = \$625 per month for survivor

FERS Survivor Benefits – At Retirement



Insurable Interest Survivor Benefit

Those presumed to have an insurable interest relationship with you include:

- **Current spouse**
- **Blood or adoptive relative closer than 1st cousin**
- **Former spouse**
- **Person to whom you are engaged**
- **Person with whom you are living in a common-law relationship**

Making Changes to Survivor Elections



- **Changes can be made without penalty within 30 days of receipt of the first regular annuity check. If the change requires spousal consent, it must be obtained**
- **Within 18 months of the commencing date of the annuity, a survivor election may be added or increased**
- **If the annuitant marries after retirement, a new survivor election may be made within 2 years of the date of marriage**
- **If your spouse predeceases you, your annuity will be restored to full payments prospectively upon contacting OPM to report the death**



Termination of Survivor Benefits

- A spouse's **future entitlement** to a survivor benefit is terminated by divorce, unless a court order awards survivor benefits
- Surviving **current** spouses who remarry prior to age 55 will lose entitlement to the survivor benefit, unless the marriage had lasted at least 30 years
- Survivor benefit may be restored if the *new* marriage ends by death, divorce or annulment
- Surviving **former** spouses who remarry prior to age 55 will permanently lose the survivor benefit
- If your spouse pre-deceases you, OPM will restore the annuity to full payments upon notification of the death

Children's Survivor Benefits



A monthly survivor benefit is payable to eligible children upon the death of an employee or retiree

Eligible Children Must Be:

- Unmarried
- Dependent of the retiree (or employee) at the time of death
- Under age 18, or
- Under age 22 if a full-time student, or
- A disabled child who is incapable of self-support and whose disability occurred prior to age 18

Children's Survivor Benefits



Single Orphan Rate:

(2020 Rate)

When the child has a living parent who was married to the employee or retiree, the smaller of the 2 following amounts will be paid:

- **\$545 per month per child, or**
- **\$1,637 divided between the number of eligible children**

Children's Survivor Benefits



Double Orphan Rate:

(2020 Rate)

When the child does not have a living parent who was married to the employee or retiree, the smaller of the 2 following amounts will be paid:

- **\$655 per month per child, or**
- **\$1,965 divided between the number of eligible children**

Social Security Benefits Overview



Social Security Administration



Social Security Benefits Overview



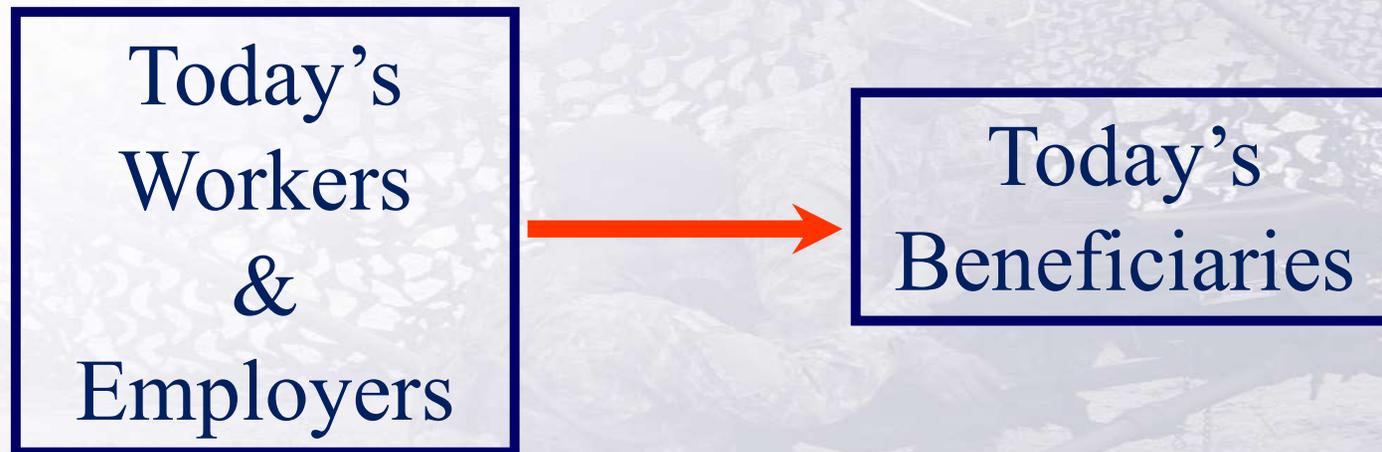
A Foundation for Planning Your Future



Social Security Benefits Overview



Who Pays for Social Security?



Social Security Benefits Overview



How Do You Qualify for Retirement Benefits?

- You need to work to earn Social Security “credits”
- Each \$1,410 in earnings gives you one credit
- You can earn a maximum of 4 credits per year



Example: To earn 4 credits in 2020, you must earn at least \$5,640. Earning 40 credits (10 years of work) throughout your working life will qualify you for a retirement benefit.

Social Security Benefits Overview



Your Age At The Time You Elect Retirement Benefits Affects the Amount

If You're a Worker and Retire

- At age 62, you get a lower monthly payment
- At your full retirement age, you get your full benefit
- You get an even higher monthly payment if you work past your full retirement age



Social Security Benefits Overview



Your Age At The Time You Elect Retirement Benefits Affects the Amount
For example, if you were born in 1960 or Later:

- Age 62 70% of benefit
- Age 63 75% of benefit
- Age 64 80% of benefit
- Age 65 86.7% of benefit
- Age 66 93.3% of benefit
- Age 67 100% of benefit
- Age 70 124% of benefit



****REDUCTION IS PERMANENT****

Social Security Benefits Overview



Full Retirement Age & Age 62 Reduction

<u>Year of Birth</u>	<u>Full Retirement Age</u>	<u>% at Age 62</u>
1937	65	80%
1938	65 & 2 months	79.2%
1939	65 & 4 months	78.3%
1940	65 & 6 months	77.5%
1941	65 & 8 months	76.7%
1942	65 & 10 months	75.8%
1943-1954	66	75%
1955	66 & 2 months	74.2%
1956	66 & 4 months	73.3%
1957	66 & 6 months	72.5%
1958	66 & 8 months	71.7%
1959	66 & 10 months	70.8%
1960 & later	67	70%

Social Security Benefits Overview



Replacement Rates

% of earnings

57%

Low Income Worker

- \$20,800 annual avg.
- \$995/month benefit at full age

45%

Middle Income Worker (*average-08*)

- \$41,335 annual avg.
- \$1,543/month benefit at full age

35%

Higher Income Worker

- \$75,000 annual avg.
- \$2,158/month benefit at full age

Social Security Benefits Overview



In Addition to the Retiree, Who Else Can Get Benefits?

Your Spouse (Eligible for up to 50% of your unreduced)

- At age 62 - (30% age reduction applies)
- At any age if caring for child under 16 or disabled
- Divorced spouses may qualify if married 10 years and cannot be remarried

Your Child

- Not married under 18 (under 19 if still in high school)
- Not married and disabled before age 22

Social Security Benefits Overview



How Social Security Determines Your Benefit

Social Security benefits are based on earnings

- Step 1 -Your wages are adjusted for changes in wage levels over time
- Step 2 -Find the monthly average of your 35 highest earnings years (zero earnings years will lower average)
- Step 3 -Result is “average indexed monthly earnings”



Social Security Benefits Overview



Use the Retirement Estimator or other online calculators

- Convenient, secure, and quick financial planning tool
- Immediate and accurate benefit estimates
- Lets you create “What if” scenarios based on different ages and earnings

socialsecurity.gov/estimator

The screenshot shows the Social Security Administration's Retirement Estimator page. At the top, there is a navigation bar with the Social Security logo, a search icon, a menu icon, a languages icon, and a sign-in icon. Below the navigation bar, the page title "Retirement Estimator" is displayed. The main content area is divided into several sections:

- How the Retirement Estimator Works:** A dark blue header followed by a paragraph explaining that the estimator provides estimates based on actual Social Security earnings records, noting that these are just estimates.
- Estimate Your Retirement Benefits:** A blue button with white text.
- Disclaimer:** A paragraph stating that the actual benefit amount cannot be provided until an application is made, and that the amount may differ from the estimates provided because of various factors.
- Factors Affecting Estimates:** A list of five bullet points explaining why estimates may differ from actual benefits, including future earnings changes, cost-of-living adjustments, changes in law, payroll tax collection, and military or railroad service.
- Who Can Use the Retirement Estimator:** A dark blue header followed by a paragraph stating that users must have enough Social Security credits and must not be currently receiving benefits or waiting for a decision on an application.
- Who Can Use the Retirement Estimator (List):** A list of three bullet points detailing eligibility requirements: having enough credits, not currently receiving benefits, and not waiting for a decision on an application.

On the right side of the page, there are two vertical sections:

- Related Information:** A list of links including "Your Options: Working, Applying for Retirement, or Both?", "Estimate Your Life Expectancy", "Other Benefit Calculators", "When to Start Receiving Retirement Benefits", "Benefits For Your Spouse", "Other Things To Consider", and "Retirement Toolkit".
- Online Applications:** A list of links for "Apply Online For Retirement Benefits" and "Apply Online For Spouse's Benefits".

At the bottom right, there is a light blue callout box with a question mark icon, containing the text: "If you need information about how to move around in the Retirement Estimator, please read 'How To Move Around In This Application.'"

Social Security Benefits Overview



You Can Work & Still Receive Benefits

<u>If You Are</u>	<u>In 2020 You Can Make Up To</u>	<u>If You Make More, Some Benefits Will Be Withheld</u>
Under Full Retirement Age	\$18,240/yr. (\$1,520/mo.)	\$1 for every \$2
The Year Full Retirement Age is Reached	\$48,600/yr. (\$4,050/mo.)	\$1 for every \$3
Month of Full Retirement Age and Above	No Limit	No Limit



Note: If some of your retirement benefits are withheld because of your earnings, your benefits will be increased starting at your full retirement age to take into account those months in which benefits were withheld.

Social Security Benefits Overview



What Income Counts Towards the Earnings Test Limits



Income that Counts as Earnings

- Gross wages from employment and/or net earnings from self employment



Income that Does NOT Count as Earnings

- Inheritance payments
- Pensions
- Income from investments
- Interest and dividends
- Capital gains
- Other sources

Social Security Benefits Overview



Applying for Retirement Benefits

You can apply online for Retirement Benefits by visiting www.ssa.gov and then clicking on “Retirement”

The screenshot shows the Social Security Administration website interface. At the top, there is a dark blue navigation bar with the Social Security logo on the left and search, menu, language, and sign-in options on the right. Below the navigation bar is a grid of six large images. The first image shows a woman and a man looking at a laptop, with the text 'Putting you in control... Learn what you can do online'. The second image shows a young girl and an elderly man, with the text 'Retirement'. The third image shows a woman and a man, with the text 'Disability'. The fourth image shows a man at a desk, with the text 'Employers: File W-2s online'. The fifth image shows a man and a woman, with the text 'Get to know your Social Security'. Below the grid are four circular icons representing different services: 'my Social Security' (a hand pointing to a screen), 'Social Security Number' (a Social Security card), 'Retirement Estimator' (a calculator), and 'FAQs' (a question mark). Each icon is accompanied by a brief description of the service.

my Social Security
Check out your *Social Security Statement*, change your address & manage your benefits online today.

Social Security Number
Your Social Security number remains your first and continuous link with Social Security.

Retirement Estimator
Calculate your benefits based on your actual Social Security earnings record.

FAQs
Get answers to frequently asked questions about Social Security.

Social Security Benefits Overview



Who Can Get Survivors Benefits?

Your Child if:

- Not married under age 18 (under 19 if still in high school)
- Not married and disabled before age 22

Widow or Widower:

- Full benefits at full retirement age
- Reduced benefits at age 60 (approximately a 28% reduction)
- If disabled as early as age 50
- At any age if caring for child under 16 or disabled
- Remarriage after age 60 (50 if disabled)
- Divorced widows/widowers may qualify

Social Security Benefits Overview



Other Survivors Benefits

- Parents

Age 62 and was receiving at least one-half support from deceased worker

- Lump Sum Death Payment (\$255)

Most spouses
Some children



Social Security Benefits Overview



Are Your Social Security benefits taxable?

- Determine your “combined Income:
- Adjusted Gross Income + Nontaxable Interest + $\frac{1}{2}$ of your social security benefit = your “Combined Income”
- If you file federal tax as:
 - an individual, and combined income is \$25,000 - \$34,000 **or;**
 - filing jointly, and combined income is \$32,000 - \$44,000
 - you may have to pay income tax on up to 50%
- However if base amount is over \$34,000 for an individual or \$44,000 if filing jointly up to 85% of your benefit can be taxable

For more information call, 1-800-829-3676 or visit www.irs.gov

IRS Pub. 915

Social Security Benefits Overview



Who Can Get Medicare ?

65 & older

-or-

24 months after entitlement to Social Security disability benefits

-or-

Amyotrophic Lateral Sclerosis

-or-

Permanent kidney failure and receive maintenance dialysis or a kidney transplant (30 months to enroll)

Social Security Benefits Overview



The 4 Parts of Medicare



Part A
Hospital Care



Part B
Medical
Insurance



Part C
Medical
Advantage Plans
(like
HMO's/PPO's)
Includes Part A.
Part B, and
sometimes Part D



Part D
Medicare
Prescription
Drug
Coverage

Social Security Benefits Overview



Medicare Coverage

Part A - Hospital Insurance

- Covers most inpatient hospital expenses
- 2020 Deductible \$1,408
- Most people will not pay premiums for Part A (If you or your spouse paid FICA taxes for 10 yrs.)
- If you don't get premium free but buy part A, you'll pay up to \$458 per month
- Once out of the hospital for 2 months the clock starts over on the deductible

Part B - Medical Insurance

- Covers 80% doctor bills & other outpatient medical expenses after first \$185 in approved charges
- 2020 Standard Monthly Premium \$144.60 (premium is income based, savings are included in this income adjustment as well as any TSP withdrawals)
- Late penalty applies if you enroll after eligibility window and penalty is for life.
- Do not need to enroll in Part B while working, 8 month special eligibility window applies once you have retired or stopped working.

Social Security Benefits Overview



Medicare Coverage Cont.

Part C - Medicare Advantage Plan

- Eligibility requirements are that you must be enrolled in Part A and Part B and live in the plan service area.
- Provides Medicare- covered benefits but may cover some extra benefits.
- Receive services through Part A and Part B, you may need to use network doctors and hospitals.
- May differ from Medicare in benefits and cost sharing.
- Compare Plans: [medicare.gov/find-a-plan/](https://www.medicare.gov/find-a-plan/)

Part D – Prescription Drug Coverage

- Covers a major portion of prescription drug costs for Medicare beneficiaries.
- Enroll With Medicare prescription drug provider not SSA.
- Annual enrollment period October 15 through December 7.
- Extra help with premiums for those with limited income/resources but does not waive co-payments.
- Allows for special enrollment period with no penalty once retired or not working if you had been carrying FEHB while working.
- If enrolled in FEHB or Tricare Part D is not needed.

Social Security Benefits Overview



When Can I Sign Up for Medicare Part B?

Medicare Enrollment Periods:

- Special Enrollment Period – At time of retirement if you or your spouse is still working and covered under a group plan (8 months after you stop working)
- General (open season) – January 1-March 31 (10% penalty for late enrollment, per month) Permanent Penalty
- Initial – Begins 3 months before turning 65, includes the month you turn 65, and ends 3 months after you turn 65.



What if I have TRICARE?

- If retired from the military, you must enroll in Part A and Part B to keep Tricare for Life.
- Medicare is the Primary Payer
- TRICARE is the secondary, so your out-of-pocket expenses are less.
- TRICARE benefits include covering Medicare's coinsurance and deductible for services covered by Medicare and TRICARE.
- When retired service members and their families become eligible for TRICARE For Life (typically at 65) they are no longer able to enroll in TRICARE Prime.

Social Security Benefits Overview



For More Medicare Information

MEDICARE  **HEALTH INSURANCE**

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY
JOHN DOE

MEDICARE CLAIM NUMBER
000-00-0000-A

SEX
MALE

IS ENTITLED TO
HOSPITAL (PART A) **01-01-2007**

EFFECTIVE DATE
MEDICAL (PART B) **01-01-2007**

SIGN HERE → _____

SAMPLE

1-800-MEDICARE
(1-800-633-4227)
TTY 1-877-486-2048
www.medicare.gov

OSHIIP
Ohio Senior Health Insurance Information Program
1-800-686-1578
www.ohioinsurance.gov

Social Security Benefits Overview



Social Security's Online Services

Online Services for before or after you receive benefits

- Retirement Estimator
- Retirement & Disability Applications
- Medicare Online
- Apply for Extra Help With Medicare Drug Plan Costs
- Retirement/Survivors/Disability Planner
- Request a Social Security *Statement online*
- Change of Address
- Medicare Card Replacements
- Request a Benefit Verification Letter
- Start or Change Direct Deposit

www.socialsecurity.gov

The screenshot shows the Social Security Administration website's Retirement Benefits page. At the top, there is a navigation bar with the Social Security logo, a search icon, a menu icon, a languages icon, and a sign in/up icon. Below the navigation bar, the page title is "Retirement Benefits". The main content area is divided into several sections:

- Apply for Retirement Benefits:** A dark blue button with white text. Below it, a paragraph explains that Social Security offers an online retirement application that can be completed in as little as 15 minutes. A second paragraph states that in most cases, once the application is submitted electronically, you're done. A blue button labeled "Apply for Retirement Benefits" is positioned below the text. Further down, there are links for "Return to a Saved Application" and "Check Application Status".
- Questions about our Social Security Retirement Benefits Application...:** A dark blue header for a section that addresses who can apply for retirement benefits online. It lists criteria such as being at least 61 years and 9 months old, not currently receiving benefits on your own Social Security record, and wanting benefits to start no more than 4 months in the future. It also includes a section for Medicare, stating that if you already have Medicare, you can still use the application, and if you don't have Medicare but are within 3 months of age 65, you can use the application to apply for both retirement and Medicare, or just Medicare.
- Related Information:** A list of links including "Retirement Publications", "Benefit Calculators", "Estimate your retirement benefits", "Find your full retirement age", "Benefits for your spouse", "Benefits for you as a spouse", "If you are eligible for a spouse's benefit and your own retirement benefit", "Retirement Toolkit", and "Nutrition Assistance Programs".
- Planning for Retirement:** A dark green box with white text that says "Social Security offers complete information on how to plan for your retirement." and a link to "USE OUR RETIREMENT PLANNER".
- Already Receiving Benefits:** A dark green box with white text that says "If you receive retirement or spouse's retirement benefits, you can get information and services for managing your benefits online." and a link to "MANAGE YOUR BENEFITS".

At the bottom of the page, there is a note: "For more information, go to Medicare".

Retirement and Estate Planning Basic Overview



Retirement and Estate Planning





Retirement and Estate Planning

- **A variety of tax-sheltered opportunities are available for building retirement assets.**
- **Tax Sheltering – tax laws allow certain income to remain exempt from income taxes or permit an adjustment, reduction, deferral, or elimination of income tax liability.**

Retirement and Estate Planning Overview



Analyze Your Current Assets and Liabilities for Retirement and Estimate Your Retirement Living Costs

Some Misconceptions About Retirement Planning

- You have plenty of time to start saving for retirement ...
- Saving just a little bit won't help ...
- You'll spend less money when you retire ...
- My retirement will only last 15 years ...
- You can depend on Social Security and a company pension to pay your basic living expenses ...
- Your pension benefits will increase to keep pace with inflation
- Your employer's health insurance plan and Medicare will cover all your medical expenses when you retire...



Retirement and Estate Planning Overview



Conducting a Financial Analysis

Assets - Liabilities = Net Worth

- Ideally net worth should increase each year

Housing

- If owned, probably your biggest single asset
- If large equity, a reverse mortgage could provide additional retirement income
- Sell your home, buy a less expensive one, and invest the difference



Life Insurance

- May reduce coverage as you near retirement and children are self-sufficient
- Increase income by lowering premiums

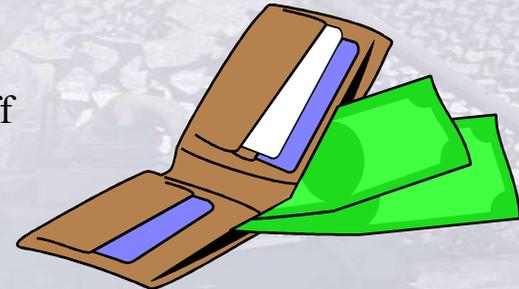
Other Investments

- After retirement, consider changing your objective from growth to income



Estimating Retirement Living Expenses

- Spending patterns and where and how you live will probably change
- Some expenses may go down or stop:
 - ↓ 401(k) retirement fund contributions
 - ↓ Work expenses - less for gas, lunches out
 - ↓ Clothing expenses - fewer and more casual
 - ↓ Housing expenses - house payment may stop if your house is paid off
 - ↓ Federal income taxes will probably be lower
- Other expenses may go up:
 - ↑ Life and health insurance unless your employer continues coverage
 - ↑ Medical expenses increase with age
 - ↑ Expenses for leisure activities
 - ↑ Gifts and contributions
- Inflation will increase the amount needed to cover expenses over the course of retirement



Retirement and Estate Planning Overview



Determine Your Planned Retirement Income and
Develop a Balanced Budget

Major Sources of Retirement Income

- Employer Pension Plans
 - Defined Contribution (e.g., Thrift Savings Plan)
 - Defined Benefit (e.g., FERS Annuity)
- Public Pension Plans (e.g., Social Security)
- Personal Retirement Plans (e.g., Roth and Regular IRAs)
- Annuities

Retirement and Estate Planning Overview



Employer Pension Plans

Defined Contribution Plans

An individual account to which employer contributes a specific amount annually

- **Money-Purchase Pension Plans** - % of earnings set aside annually by employer
- **Stock Bonus Plans** - Employer's contribution buys stock in the company
- **Profit-Sharing Plans** - Employer's contribution depends on the company's profits

401(k) or 403(b) Plans / Thrift Savings Plan

- "Salary-reduction" plan
- Workers elect to reduce their salary (up to maximum amount allowed)
- Employee contributions are tax-deferred
- Some employers match a portion of workers' contribution
- Funds invested in stocks, bonds, and mutual funds
- Vesting period



Retirement and Estate Planning Overview



Employer Pension Plans

Defined Benefit Plans

- Employer will pay a certain amount per month when workers retire based on:
- Pre-retirement salary
- Number of years of service
- Employers make investment decisions; assume risk
- Workers' benefit amount stays the same regardless of how the investments perform

ERISA

- *Employee Retirement Income Security Act of 1974*
- Sets minimum standards for pension plans
- Federal government insures part of the payments promised by defined-payment plans

Retirement and Estate Planning Overview



Retirement Plan Insurance

Pension Benefit Guarantee Corporation

- (PBGC; www.pbgc.gov)
- Provides insurance program that guarantees certain benefits to eligible workers whose employers' defined-benefit plans are not financially sound enough to pay their obligations.
- It does *not* insure defined-contribution plans.



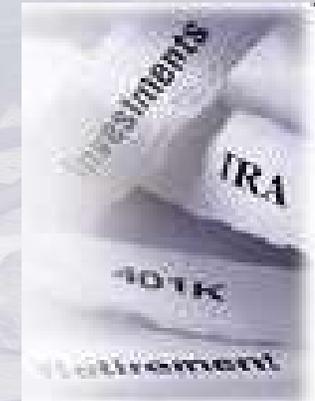


Personal Retirement Accounts

Individual Retirement Accounts (IRAs)

Regular (Traditional) IRA

- Allows \$6,000 contribution in 2020 (Age 50 or older, \$7,000)
- Contribution may be tax-deductible, depending on your tax filing status and income
- Interest accumulates tax free until withdrawal
- May begin withdrawing at 59 ½
- **Must** begin withdrawing at 72 (SECURE ACT Change)
- Withdrawals are taxable income





Individual Retirement Accounts

Roth IRA

- Contributions are not tax deductible
- Distributions tax free after age 59 ½
- Maximum income limits for contributions
- After five years, withdrawals are tax-free and penalty-free, if:
 - You are at least 59 ½ ... or
 - Funds used as a down payment on a first-time home purchase
- Can convert a Regular IRA into a Roth IRA





Individual Retirement Accounts

- **Simplified Employee Pension (SEP-IRA)**
 - IRA funded by small business employer
 - Employer can make annual contributions up to \$57,000 (2020)
 - Employee's contributions fully tax-deductible
 - Simplest retirement plan for the self-employed
- **Spousal IRA**
 - Contributions for a nonworking spouse if filing a joint return
 - Same Contribution limits as Roth or Traditional IRAs



Individual Retirement Accounts

- **Rollover IRA**

- Traditional IRA allowing transfer of all, or a portion, of your taxable distribution from a retirement plan or other IRA

- **Education IRA**

- *Coverdell Education Savings Account (ESA)*
- May give up to \$2,000 a year to each child under age 18
- Contributions not tax-deductible
- Tax-free distributions for education expenses





Individual Retirement Accounts

- **Keogh Plans**

- *H.R. 10 plan or self-employed retirement plan*
- Designed for the self-employed
- Annual tax-deductible contributions limited
- Can be difficult to administer



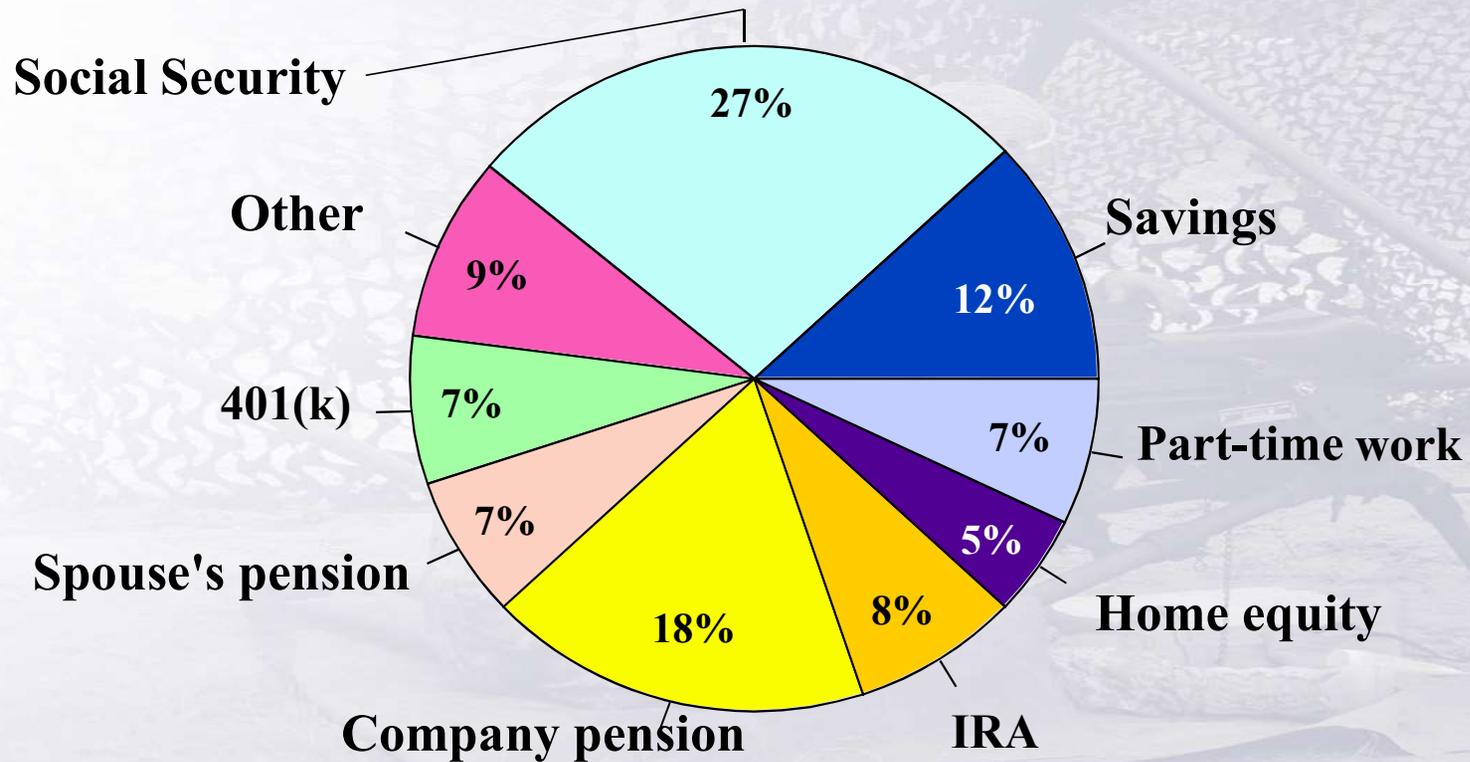
- **Limits on Personal Retirement Plans**

- Cannot leave money in a tax-deferred retirement plan forever (except for Roth IRA)
- At retirement or by age 72, you must begin to receive a minimum lifetime distribution

Retirement and Estate Planning Overview



Anticipated Sources of Retirement Income





Living on Your Retirement Income

- **Estimate a retirement budget**
- **If funds are not enough:**
 - First, make sure you are getting all the income you are entitled to
 - Convert assets into cash or sources of income
 - Consider the trade-off between spending and saving
 - Consider working during retirement
 - Dip into your nest egg cautiously and consider what you would like to leave for your heirs

Retirement and Estate Planning Overview



Analyze the Personal and Legal Aspects of Estate Planning

- **Your estate** = everything you own
- **Estate Planning** = a definite plan for the administration and disposition of your property during your lifetime and at your death
 - While you work, you accumulate funds for your future and for your dependents.
 - As you grow older, your emphasis will shift from accumulating assets to distributing them wisely



Retirement and Estate Planning Overview



Estate Planning

Estate Planning Phases

1. Build estate through savings, investment and insurance
2. Ensure that your estate is distributed as you wish after your death
 - If married: consider needs of spouse
 - If single: financial affairs in order for beneficiaries
 - Make sure important documents are accessible, understandable, and legally proper

Retirement and Estate Planning Overview



Distinguish Among Various Types of Wills and Trusts

Wills

- Specifies the disposition of property after death
- Have an attorney draft your will to avoid difficulties
- A standard **will** can cost on average between \$300-\$400



Retirement and Estate Planning Overview



Intestate and Probate

- **Intestate**

- You die without a will
- The state distributes your assets
- May mean the state will decide on a guardian for your children
- Very complicated if a “blended” family



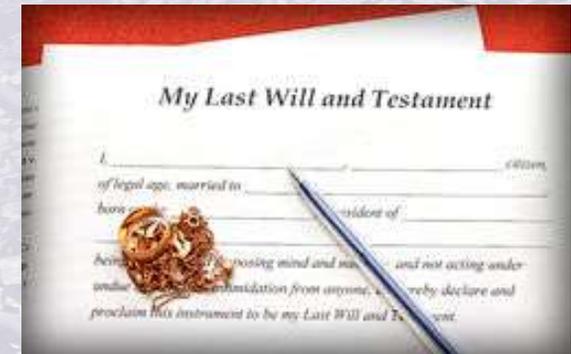
- **Probate**

- Probate court generally validates wills and makes sure your debts are paid
- Expensive, lengthy, and public



Will Formats

- **Holographic Will**
 - Will that you write, date and sign, entirely in your handwriting
 - May not be recognized in some states
- **Formal Will**
 - Usually prepared with attorney's assistance
 - You must sign and have two witnesses, neither of whom can be beneficiaries
 - **Beneficiary** = person you have named to receive property
- **Statutory Will**
 - A type of formal will on a preprinted form
 - Available from a lawyer or stationery store
 - May include provisions not in the best interest of heirs



Retirement and Estate Planning Overview



Writing Your Will

Selecting an Executor

Executor = person willing and able to execute provisions of someone's will (can be family member, lawyer, etc.)

Tasks may include:

- Preparing an inventory of assets
- Collecting any money due and paying off debts
- File all income and estate tax returns
- Decisions about investing or selling assets to pay off debts or provide income
- Distribute the estate and make financial accounting to beneficiaries

Selecting a Guardian

Guardian = person who assumes responsibility for providing the children with personal care and managing the estate for them





Altering or Rewriting Your Will

- **Reasons to Review Your Will:**

- You move to a new state with different laws
- You have sold property mentioned in the will
- The size and composition of your estate has changed
- You have married, divorced or remarried
- Potential heirs born or died

- **Adding a Codicil**

- Document that explains, adds or deletes provisions in your existing will





Living Will

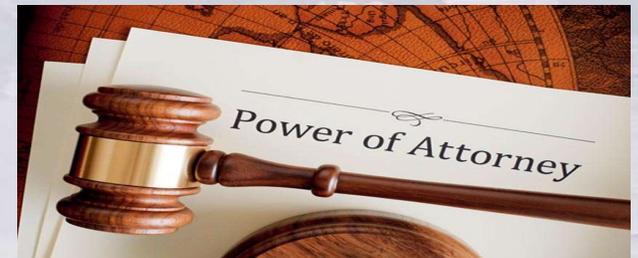
- Allows you to specify whether or not to be kept on artificial life support
 - “*Do Not Resuscitate*” (*DNR*)
- May also appoint someone to make health care decisions on your behalf in case you are unable to do so





Power of Attorney

- **Power of Attorney**
 - Legal document authorizing someone to legally act on your behalf if you become seriously ill or injured (until they revoke it or die)
- **Health Care Power of Attorney**
 - Combines a living will and power of attorney for use in making health-related decisions





Letter of Last Instruction

- Not legally binding
- Provides heirs with valuable information
- Could include:
 - Funeral/memorial preferences
 - Names of people to be notified of your death
 - Location of bank accounts, safe deposit box
 - Assets and debts
 - Social Security number
 - Disposition of personal effects



Retirement and Estate Planning Overview



Trusts

- **Legal arrangement through which trustee holds your assets for your benefit or that of beneficiaries**
 - Trustee may be an individual or an institution
- **Benefits of Trusts:**
 - Avoid probate; transfer assets immediately
 - Free you from managing assets
 - Provide income for a surviving spouse
- **Revocable Trust**
 - You retain the right to end the trust or change its terms during your lifetime.
 - May avoid the lengthy probate process
 - Does not provide shelter from federal or state estate taxes
- **Irrevocable Trust**
 - You cannot change the terms once instituted
 - Used to reduce estate taxes
 - Avoids probate
- **Living Trust**
 - “*Inter vivos trust*”; in affect while you are alive
- **Testamentary Trust**
 - Established by your will; takes effect after death



Retirement and Estate Planning Overview



Taxes And Estate Planning

- **Estate Taxes**
 - Federal tax on value of property at death
 - Tax on fair market value
 - No filing required until exceeding \$11.58 million in 2020
- **Estate and Trust Federal Income Taxes**
 - Estates and certain trusts must file tax returns
 - Trusts and estates must pay quarterly estimated taxes
- **Inheritance Taxes**
 - Tax on property left by a person in their will
 - Imposed by states
 - 4 to 10% on average
- **Gift Taxes**
 - Tax on gifts given by one person to another in a single year
 - Imposed by both state and federal governments



Reserve Component Retirement Overview



RETIRED PAY Reserve Component

SSG Anthony Kline

anthony.l.kline2.mil@mail.mil

614-336-7277 (DSN 346)

Reserve Component Retirement Overview



Army Application

- **Submit Application to the Human Resources Command, Ft Knox, KY
US Army Human Resource Center of Excellence
ATTN: AHRC-PDR-RCR
1600 Spearhead Division Ave Dept. 420
Fort Knox, KY 40122-5402**
- **Submit to HRC nine (9) months prior to retirement date**

Reserve Component Retirement Overview



Application Documents

- **DD Form 108 – Application for Retired Pay Benefits**
- **DD Form 2656 – Data for Payment of Retired Personnel**
- **Notification of Eligibility for Retired Pay (NOE) (NGB Form 23D or equivalent)**
- **NGB Form 23B – ARNG Retirement Points History Statement**
- **Order of Transfer to the Retired Reserve**

Reserve Component Retirement Overview



Application Documents (Continued)

- **DD Form 2656-5 – Survivor Benefit Plan Election Certificate (Or DD 1883)**
- **DD Form 2656-6 – Survivor Benefit Plan Election Change Certificate (If applicable)**
- **SF 1199A – Direct Deposit Authorization**
- **DD Forms 214 – Certificate of Release or Discharge From Active Duty**
- **NGB Forms 22 – Report of Separation and Record of Service**

Reserve Component Retirement Overview



Air Application

- **Submit to ARPC**
- **HQ ARPC/DPTTR**
18420 E Silvercreek Ave BLDG 390 MS68
Buckley AFB, CO 80011-9502
- **Fax: 478-327-2215**

Reserve Component Retirement Overview



Application Documents

- **DD Form 2656 – Data for Payment of Retired Personnel**
- **ARPC Form 83**

Reserve Component Retirement Overview



Reduced Eligibility Age

- **Effective 28 Jan 2008**
- **For Mobilized Service on or after 29 Jan 2008**
- **Mobilized under 10 USC 12301(a), 12301(d), 12302, 12304**
- **National Emergency declared by the President or Congress**
- **Must still complete 20 years of qualifying service**
- **Eligibility for health care remains at age 60**
- **Eligibility age may not be reduced below age 50**

Reserve Component Retirement Overview



Reduced Eligibility Age (Continued)

- **AD for a National Emergency under 32 USC 502(f)**
- **Examples**
 - **Secure US Airports following an attack**
 - **To Assist in the aftermath of a hurricane**
 - **To Assist in securing borders (Homeland Def.)**
 - **Support a National Special Security Event**



Reduced Eligibility Age (Continued)

- **NOT creditable for reducing eligibility age**
 - **Member of a regular component**
 - **Active Guard Reserve (AGR)**
 - **Medical treatment, evaluation, etc. (12301(h))**
 - **Annual tour (12301(b))**

Reserve Component Retirement Overview



TRICARE

- **TRICARE Retired Reserve** (dollars based on 2020)
 - **Member of Retired Reserve eligible for non-regular (RC) retired pay**
 - **Under Age 60**
 - **Not eligible for, or enrolled in, the FEHB program**
 - **Outpatient deductible - \$156 Ind/\$313 Family**
 - **Cost share – 25% Standard/20% Extra** (after deductible)
 - **Monthly Premium** (Two months premium w/enrollment)
 - **TRR Member Only – \$444.37**
 - **TRR Member and Family - \$1066.26**



Reserve Component Retirement Overview



TRICARE Program Options

- **TRICARE Select**
- **TRICARE Prime**
- **TRICARE For Life**
- **TRICARE Pharmacy Program**
- **TRICARE Dental Program**



TRICARE

- **TRICARE Select**
 - **Non-network providers will have a 25% cost share associated with services**
 - **Network providers will only have a copay**
 - **Over age 60 receiving retired pay**
 - **No up front cost**
 - **Outpatient deductible - \$150 Indiv/\$300 Family (2020)**



TRICARE

- **TRICARE Prime**
 - **Over age 60 receiving retired pay**
 - **Use network providers**
 - **Co-pay based on type of service**
 - **Must enroll NLT 20th day of month prior to start date**
 - **Annual Enrollment Fee (Applied to catastrophic cap)**
 - **Individual - \$300.00 (2020)**
 - **Family - \$600.00**



TRICARE

- **TRICARE for Life**
 - **Over age 65**
 - **Medicare eligible**
 - **Must be eligible for Medicare Part A** (if declined for part A; coverage will revert to TRICARE Standard)
 - **Must enroll in Medicare Part B**
 - **Premium – \$144.60 per month (2020)**
 - **May be higher depending on income**
 - **TRICARE is the second payer to Medicare**

Reserve Component Retirement Overview



TRICARE

- **TRICARE Pharmacy Program**
 - **Available to everyone with TRICARE eligibility**
 - **Four Options**
 - **Military Treatment Facility (MTF)**
 - **TRICARE Pharmacy Home Delivery**
 - **Retail Network Pharmacy**
 - **Non-Network Pharmacy**
 - **Cost share - \$10, \$29, \$60** (based on 2020 Home delivery)

Reserve Component Retirement Overview



TRICARE

- **TRICARE Retiree Dental Program**

- The TRICARE Retiree Dental Program (TRDP) ended in 2018 and was replaced by the Federal Employees Dental and Vision Insurance Program (FEDVIP)

- **Survivors**

- **Premium for this zip code area (2017)**

- **Single - \$31.38**

- **Two Person – \$62.30**

- **Family (3 or more) – \$112.42**



TRICARE

- **TRICARE Retiree Dental Program (Cont.)**
 - Available to Retirees and “Gray-area” Retirees
 - Cost share based on service provided
 - Cost share may be higher when using non-network providers
 - Must enroll within 120 days of retirement to receive full benefits for first year

Reserve Component Retirement Overview



FEDVIP Dental and Vision Coverage

- **The TRICARE Retiree Dental Program (TRDP) ended on Dec. 31, 2018**
- **It was replaced by The Federal Employees Dental and Vision Insurance Program (FEDVIP).**
 - **Vision:**
 - **There are four national vision plan options**
 - **Dental:**
 - **There are six national dental plan options**
 - **There are four regional plan options**
 - **Review eligibility and enrollment information at: www.benefeds.com**

Reserve Component Retirement Overview



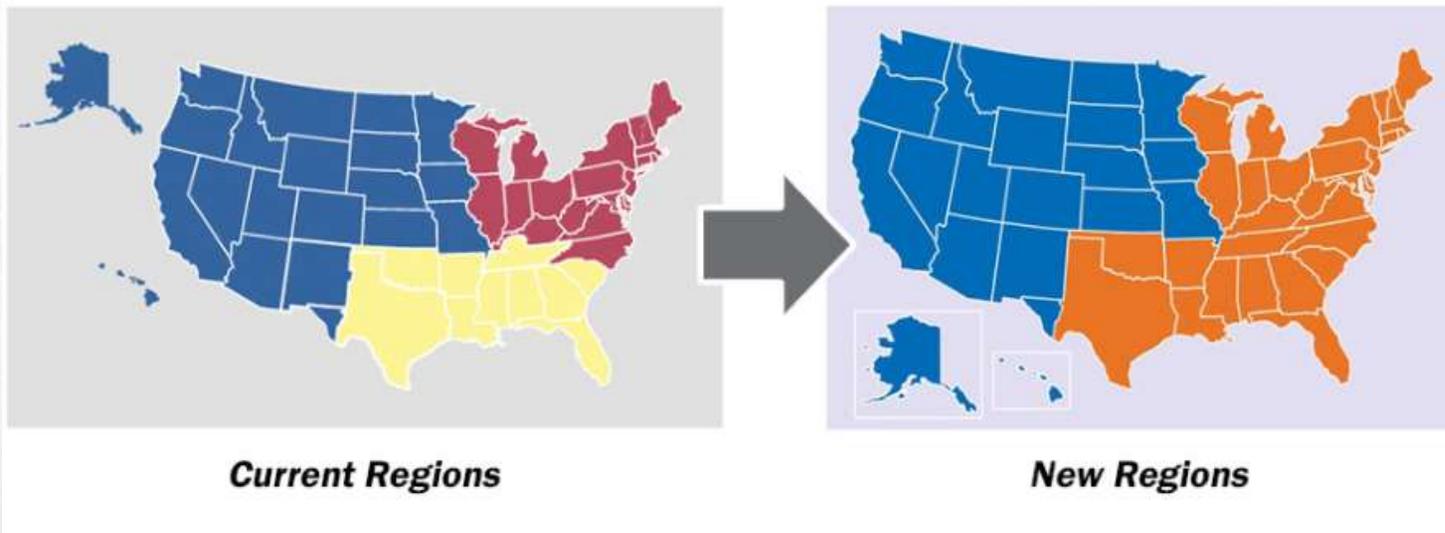
TRICARE Regions

West Region

Health Net Federal Services, Inc.
1-877-TRICARE
www.healthnetfederalservices.com

East Region

Humana Military Healthcare Services, Inc.
1-800-444-5445
www.humanamilitary.com



Federal Employees Retirement System (FERS)



QUESTIONS?



Technician Benefits POC's



Benefits P.O.C's and Retirement Counselors

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(DSN: 346)