

**CSRS and FERS  
A Guide for Employees  
Approaching Retirement**

# Glossary of Terms

Annuity	fixed monthly retirement income
Banked Sick Leave	accumulated sick leave at retirement
COLA	Cost of Living Adjustment
Deposit	a.k.a. “Buyback” for service credit
FSA	Flexible Spending Account
High 3	Highest 3 consecutive years of earnings, averaged.
Interim pay	Temporary amount paid by OPM for the first few months of retirement

# Glossary of Terms

LWOP	Leave Without Pay
MRA	Minimum Retirement Age – under FERS, based on year of birth
Night Differential	premium paid for work between 6pm - 6am
OPM	Office of Personnel Management – the agency that administers retirement benefits
Supplement	FERS Special Annuity Supplement (SAS)
Terminal Leave	leftover annual leave paid out at retirement

# Civil Service Retirement System (CSRS)

- CSRS effective August 1920
- A defined benefit plan (you get a guaranteed amount in retirement no matter what the stock market does)



# Federal Employees Retirement System (FERS)

FERS effective 1/1/1987 (applies retroactively to new hires on and after 1/1/1984)

## 3 components:

- Basic Benefit Plan (+ Special Annuity Supplement)
  - A defined benefit plan
- Social Security
- Thrift Savings Plan (up to 5% matching)
  - A defined contribution plan (the amount you get in retirement depends on how much you contribute, your investment choices, and stock market performance)



# Retirement System Statistics

## USPS Career Employment Dec. 2020

<b>FERS</b>	<b>478,842</b>	<b>97.2%</b>
<b>CSRS</b>	<b><u>13,436</u></b>	<b>2.7%</b>
<b>Total</b>	<b>492,278</b>	



# Types of Retirement

- **Regular/Optional (Immediate/Voluntary)**
- **Early/MRA + 10 (FERS only)**
- **Deferred**
- **Disability**
- **AFA, or Alternative Form of Annuity**
- **“Early Out” (VER) (not applicable at this time)**
- **Phased (not applicable to USPS at this time)**



# **This seminar focuses on Regular (Immediate) Retirement**

**NALC members considering MRA+10, disability, or other types of retirement should obtain direct one-on-one advice from a branch officer, their NBA office, or the NALC HQ retirement department.**





# Three Primary Factors Determine When you can retire + How much you will receive:

- ✓ Age
- ✓ Years of Service
- ✓ High-Three Average Annual Salary



# When Will I Be Eligible to Retire?



*This depends on your AGE and Years of Service*

# Age and Service Requirements for Regular/Optional Retirement

## CSRS

Age

Service

55

30 years

60

20 years

62

5 years

## FERS

Age

Service

MRA

30 years

60

20 years

62

5 years

MRA

10 years\*

(\*reduced benefits)<sub>1</sub>

# The Minimum Retirement Age\* is determined as follows:

If you were born

Your MRA is

**Before 1948**

**55 years**

**In 1948**

**55 years, 2 months**

**In 1949**

**55 years, 4 months**

**In 1950**

**55 years, 6 months**

**In 1951**

**55 years, 8 months**

**In 1952**

**55 years, 10 months**

**In 1953 to 1964**

**56 years**

**In 1965**

**56 years, 2 months**

**In 1966**

**56 years, 4 months**

**In 1967**

**56 years, 6 months**

**In 1968**

**56 years, 8 months**

**In 1969**

**56 years, 10 months**

**In 1970 and after**

**57 years**



**\*Applies to FERS only**

# **Amount of Creditable Service for purposes of Eligibility**

**Years worked under CSRS or FERS**

*plus*

**Years of Military Service\***

*plus*

**Years of Non-Career Federal Service\***

\*when eligible and required deposit made

## **Amount of Creditable Service:**

**Unused Sick Leave** counts towards how much you get but not eligibility

- **Sick leave is not creditable for establishing retirement eligibility**
- **Sick leave balance at retirement is added to the length of service to calculate the amount of an immediate annuity**

## **Amount of Creditable Service: LWOP may reduce service credit**

**Cumulative LWOP in excess of 6 months in a calendar year is not credited for eligibility or computation purposes.**

In other words, the first six months of cumulative leave without pay per calendar year *IS* credited.

Exceptions: All Leave Without Pay is credited if the LWOP was due to an on-the-job injury and wage loss compensation was paid by OWCP, or LWOP is due to full-time union official employment and union pays employer contributions, or LWOP is due to military furlough

# Amount of Creditable Service: Proration for part time service

- In determining eligibility to retire, part time service is creditable to the same extent as full time service for both CSRS and FERS
- CSRS - part time service prior to 4/7/86 is treated as full time for annuity calculation
- CSRS - part time service on and after 4/7/86 is prorated for annuity calculation
- FERS – all part time service is prorated for annuity calculation



# Crediting Military Service

- **Must be Active Duty Service with Discharge Under Honorable Conditions**
- **If Receiving Military Retired Pay, Must Waive it - Unless it is Based on 1) Disability Incurred in Combat or 2) National Guard Service**
- **National Guard Service is Generally Not Creditable**



# Do I need to make a deposit for post-1956 military service?

<b>CSRS</b>		<b>FERS</b>	
<b>Credit for Eligibility</b>	<b>Credit for Annuity</b>	<b>Credit for Eligibility</b>	<b>Credit for Annuity</b>
<b>No</b>	<b>It Depends</b>	<b>Yes</b>	<b>Yes</b>

# Crediting Military Service

- **Military Service prior to January 1, 1957 is creditable for retirement eligibility and computation, without making deposit, under both CSRS & FERS.**
- **Military Service after 1956 may be creditable based on various factors, including whether deposit has been made prior to separation**



# Crediting Post-1956 Military Service - CSRS -

- If first employed in a position covered by CSRS on or after 10/01/82, must make deposit to obtain credit for eligibility and calculation.
- If first employed in a position covered by CSRS before 10/01/82, and if retiring prior to age 62, may receive credit without making deposit.
- However, if no deposit is made, the annuity will be reduced at age 62, if the retiree is eligible for Social Security benefits; this is called “Catch 62”. If the retiree is not eligible for Social Security benefits at age 62, there is no reduction in annuity.

# Crediting Post-1956 Military Service - CSRS -

- If first employed in a position covered by CSRS before 10/01/82, and if retiring on or after age 62, can receive credit for purposes of annuity calculation if eligible for Social Security benefits only if deposit was made
- However, the military service may be creditable for establishing eligibility to retire even if no deposit is made.

## Crediting Post-1956 Military Service - FERS -



- Post-1956 Military Service is creditable (for purposes of eligibility to retire and for purposes of calculation of annuity) under FERS only if deposit is made.
- This applies to all intermittent periods of military active duty, for example, reservist activation, or else that time will be deducted from your total service when you retire. If this applies to you, beware: such intermittent periods of service won't be flagged on your annuity estimate; without forewarning, this service time will be eliminated from your service record at retirement, when it's already too late to make deposit; so make sure to apply to make deposit as soon as possible—at least one year prior to retirement.

# Crediting Post-1956 Military Service

## CSRS

**Military deposit  
equals 7% of  
base military pay  
plus interest\***

## FERS

**Military deposit  
equals 3% of  
base military pay  
plus interest\***

\*interest does not start to accrue for the first 2 years of civilian service in most cases

# How to Make Deposit for Military Service

- Call USPS Shared Services: 877-477- 3273 (Option 5)
- Complete SF 2803A (if CSRS) or
- Complete SF 3108A (if FERS)
- Submit completed SF with DD 214



Full deposit must be made to USPS prior to separation.



# Crediting Non-Career Federal Service

## CSRS

### Service <10/1/82:

Credited, but annuity reduced if no deposit

### Service >10/1/82:

Credited for eligibility automatically; credited for computation only if deposit is made

## FERS

### Service < 1/1/89:

Credited only if deposit made

### Service > 1/1/89:

Not creditable\*

\*Transitional Employee category first created 1992

# Cost to Credit Non-Career Federal Service

## **CSRS**

**Generally, 7% of basic pay of the non-career service, plus interest**

## **FERS**

**Generally, 1.3% of basic pay of the non-career service, plus interest**

# How to Make Deposit for Non-Career Federal Service

- Call USPS Shared Services: 877-477- 3273 (Option 5)
- Complete SF 2803 (CSRS) or
- Complete SF 3108 (FERS)

Deposit can be made to USPS prior to separation or directly to OPM after separation.

# How Much Will I Get?

## Annuity Computation





**Years of Service**

**X**

**High-Three Average Annual  
Salary**

**X**

**Appropriate Formula**

# Amount of Creditable Service for purposes of how much you get:

Years worked under CSRS or FERS

*plus*

Years of Military Service\*

*plus*

Years of Non-Career Federal Service\*

*plus*

Banked Sick Leave\*\*

*minus*

LWOP in excess of 6 months in a calendar year\*\*\*

\*when eligible and required deposit made

\*\*SL counts towards how much you get but not eligibility

\*\*\*Unless LWOP is due to on-the-job injury and OWCP pays wage-loss compensation, or LWOP is due to full-time union employment and union pays employer contributions

# **OPM calculates years and months only**

**OPM calculates amount of annuity using years and months; days short of a month (30) are dropped.**



# Test your understanding

	Yrs	Mos	Days
Total Service (RCD)	37	7	18
Sick Leave	1	0	11
Total Credit	38	7	7

**Example 1: Service days and Sick Leave days add up to 27. They do not add up to 30 to equal one month; therefore they are dropped.**

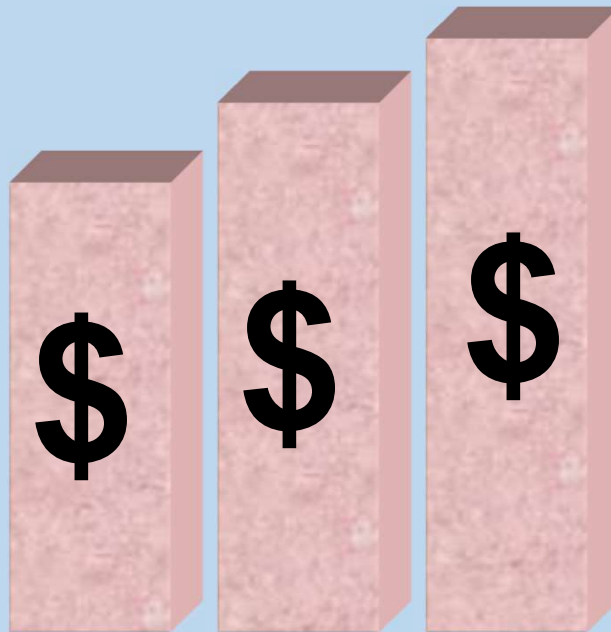
**Exercise: Using the Sick Leave Conversion Chart on Handout 2, convert 649 hours of unused sick leave (USL) into months and days.**

	Years	Months	Days
Total Actual Service (Entitlement to annuity is determined from this total)	33	6	26
Time Represented by Sick Leave	1	3	22
Total Time Total Includes Frozen CSRS or	34	10	18

**Example 2: Service days & USL days add up to 48; therefore, credit is given for one \_\_\_\_\_ and what happens with the 18 days?**



# High-3 Average Salary



**3 Consecutive Years of Basic  
Pay**

## Sample High-3 calculation from USPS annuity estimate:

### Salary History

<u>From</u>	<u>To</u>	<u>Yrs</u>	<u>Mns</u>	<u>Days</u>	<u>Annual Rate</u>	<u>Gross Pay</u>
08/31/2019	02/01/2020	0	5	0	66,403	27,667
11/24/2018	08/31/2019	0	9	7	65,766	50,603
09/01/2018	11/24/2018	0	2	23	64,413	14,850
03/03/2018	09/01/2018	0	5	28	63,768	31,529
11/25/2017	03/03/2018	0	3	8	63,248	17,217
09/02/2017	11/25/2017	0	2	23	62,454	14,399
03/04/2017	09/02/2017	0	5	28	62,184	30,746
02/01/2017	03/04/2017	0	1	3	61,851	5,669

**Total-3 Average Salary Total: 64,228**

## Career city letter carrier increases

Date	Type of Increase	Amount
July 2016	COLA	\$21
Nov. 26, 2016	General wage increase	1.2%
Jan. 2017	COLA	\$333
July 2017	COLA	\$270
Nov. 25, 2017	General wage increase	1.3%
Jan. 2018	COLA	\$520
July 2018	COLA	\$645
Nov. 24, 2018	Upgrade/Pay Schedule Consolidation*	2.1%
Jan. 2019	COLA	\$0
July 2019	COLA	\$624

**High-3 calculation  
from USPS  
annuity estimate:**

<u>From</u>	<u>To</u>	<u>Yrs</u>	<u>Mns</u>	<u>Days</u>	<u>Annual Rate</u>	<u>Gross Pay</u>
08/31/2019	02/01/2020	0	5	0	66,403	27,667
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09/01/2018	11/24/2018	0	2	23	64,413	14,850
03/03/2018	09/01/2018	0	5	28	63,768	31,529
11/25/2017	03/03/2018	0	3	8	63,248	17,217
09/02/2017	11/25/2017	0	2	23	62,454	14,399
03/04/2017	09/02/2017	0	5	28	62,184	30,746
02/01/2017	03/04/2017	0	1	3	61,851	5,669

**Total-3 Average Salary Total: 64,228**

**Salary history high-3 calculation explained:**

Bottom left date 02/01/2017 is three years prior to retirement date of 02/01/2020, indicated in the top right position

- 11/26/2016 date of Contractual increase; basic pay went up
- 03/04/2017 date of COLA increase; basic pay went up
- 09/02/2017 date of COLA increase; basic pay went up
- 11/25/2017 date of Contractual increase; basic pay went up
- 03/03/2018 date of COLA increase; basic pay went up
- 09/01/2018 date of COLA increase; basic pay went up
- 11/24/2018 date of Contractual increase; basic pay went up
- 08/31/2019 date of COLA increase; basic pay went up

# High-3 Average Salary

## Basic Pay Does Not Include:

- **Bonuses**
- **Overtime**
- **Night differential**



# General Formula

## CSRS

1.5% x 5 years +

1.75% x 5 years +

2% x service over

10 years

## FERS

1% or 1.1%\* x  
years of service

\*1.1% if age 62 (or older)  
with 20 (or more) years

# General Formula

## 30 Years Total Service

### CSRS

$$1.5\% \times 5 = 7.50\%$$

$$1.75\% \times 5 = 8.75\%$$

$$2.0\% \times 20 = \underline{40.00\%}$$

$$56.25\%$$

### FERS

$$1\% \times 30 = 30\%$$

or

$$1.1\% \times 30 = 33\%$$

# FOR REVIEW: Age and Service Requirements for Regular/Optional Retirement

<b>CSRS</b>	
<u>Age</u>	<u>Service</u>
55	30 years
60	20 years
62	5 years

<b>FERS</b>	
<u>Age</u>	<u>Service</u>
MRA	30 years
60	20 years
62	5 years
MRA	10 years*

(\*reduced benefits)



## Test Your Knowledge: CSRS

- Employee has 30 years of service (Full Time) and the high-3 average salary is \$64,228

$$1.5\% \text{ of } \$64,228 \times 5 \text{ years} = \$ 4, \_ \_ \_$$

$$\_ . \_ \_ \% \text{ of } \$64,228 \times 5 \text{ years} = \$ 5,620$$

$$2.0\% \text{ of } \$64,228 \times \_ \_ \text{ years} = \underline{\underline{\$25,691}}$$

$$\text{Basic Annuity (per year)} = \$ \_ \_, \_ \_ \_$$

# Test Your Knowledge: FERS Example 1

Employee, age MRA of 57, has 30 years of service (Full Time) and High-3 average salary of \$64,228

**\_\_% of \$ \_\_, \_\_, \_\_ x 30 = \$19, \_\_, \_\_**

**Eligible for the FERS Special Annuity Supplement**

## Test Your Knowledge: FERS Example 2

Employee, age 62, has 30 years of service (Full Time) and high-3 average salary of \$64,228

$$\underline{\quad}\% \text{ of } \$\underline{\quad},\underline{\quad}\underline{\quad} \times 30 = \$\underline{\quad},\underline{\quad}\underline{\quad}$$

\*use appropriate age 62 and  $\geq 20y$  formula

\*\*FERS Special Annuity Supplement not payable after 62

# **FERS Age Reduction MRA + 10 Retirement**

- **Employee has MRA and at least 10 years of service but less than 30 (& also does not have age 60 with  $\geq 20$  years of service) and begins receiving annuity before age 62.**

*Doubly undesirable:*

- **There is an age reduction of 5% for each full year under age 62 and it's permanent**
- **FERS Special Annuity Supplement is not paid**

# Test Your Knowledge: FERS Example 3

MRA+10 (reduced) retirement  
a.k.a. the FERS Age Reduction

Employee age MRA of 56 has 29 years, 11 months of service (Full Time) and high-3 average salary of \$64,228

$$1\% \text{ of } \$64,228 \times 29 \text{ } 11/12 = \$19,215$$

Minus 5% for each year under age 62

$$\underline{\quad}\% \text{ of } \$19,215 = \$\underline{\quad},\underline{\quad}\underline{\quad}$$

$$\$19,215 - \$\underline{\quad},\underline{\quad}\underline{\quad} = \underline{\quad}\underline{\quad}\underline{\quad}$$

# FERS Special Annuity Supplement

- Intended to substitute for the Social Security part of the total FERS benefit until age 62
- Approximates the Social Security benefit earned under FERS
- It is paid by OPM, not Social Security
- Subject to earnings test
- No COLAs
- Ends at age 62



# FERS Special Annuity Supplement (SAS)

## To be eligible for the Supplement:

- Employee must have 1 full calendar year of deductions under FERS, and
- Must qualify for an immediate, unreduced, non-disability retirement
- MRA+10 retirement does not receive Special Annuity Supplement

# Special Annuity Supplement (SAS)

Subject to earnings test.

- Earnings are wages, including self-employment.
- Earnings do not include investment gains, interest, pensions, TSP withdrawals, etc.
- If you earn more than \$18,960\* in 2021, SAS will be reduced in 2022 by \$1 for each \$2 earned above that \$18,960.
- Must report earnings each year to OPM.

\* Exempt amount may increase each year and is aligned with Social Security earnings limitation.



# Calculate Approximate Estimate of Special Annuity Supplement


- **Get Social Security estimate of projected age-62 benefit**
- **Multiply by years of FERS coverage (rounded to nearest whole number)**
  - **DO NOT INCLUDE BANKED SICK LEAVE, MILITARY, ETC**
- **Divide by 40**

**\*One fault to this method is that Social Security estimate wages include overtime. The actual computation is done by OPM, is not based on Social Security's estimate, is based only on FERS earnings and doesn't include OT.**

# Sample Calculation of Special Annuity Supplement Using Ballpark Formula

Social Security projected age-62 benefit is

$$\text{\$1,815} \times 31 \text{ years under FERS} / 40 = \text{\$1,406}$$



Your payment would be about  
**\\$2,569 a month**  
at full retirement age

March 6, 2019

## Your Estimated Benefits

<b>*Retirement</b>	You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until...	
	your full retirement age (66 and 10 months), your payment would be about.....	\$ 2,569 a month
	age 70, your payment would be about.....	\$ 3,225 a month
	age 62, your payment would be about.....	\$ 1,815 a month
<b>*Disability:</b>	You have earned enough credits to qualify for benefits. If you became disabled right now.....	

From	To	Yrs	Mns	Days	Annual Rate	Gross Pay
11/24/2018	04/01/2019	0	4	7	64,413	22,723
09/01/2018	11/24/2018	0	2	23	63,144	14,558
03/03/2018	09/01/2018	0	5	28	62,499	30,902
11/25/2017	03/03/2018	0	3	8	61,979	16,872
09/02/2017	11/25/2017	0	2	23	61,201	14,110
03/04/2017	09/02/2017	0	5	28	60,931	30,126
11/26/2016	03/04/2017	0	3	8	60,598	16,496
09/03/2016	11/26/2016	0	2	23	59,880	13,805
04/01/2016	09/03/2016	0	5	2	59,859	25,273
Total-3 Average Salary Total: 61,622						

	Gross Annual Annuity	Gross Monthly Annuity
With Survivor Benefits	17,191	1,432
Without Survivor Benefits	19,102	1,591
Survivors (spouse) gross monthly annuity 795		

Annuity Based On ACD Date Above Left

	Gross Annual Annuity	Gross Monthly Annuity
With Survivor Benefits	17,191	1,432
Without Survivor Benefits	19,102	1,591
FERS Special Supplement	14,976	1,248
Survivors (spouse) gross monthly annuity 795		

**FERS Special Supplement**

**Gross Annual / Gross Monthly**

**14,976**

**1,248**

# OPM's Supplement Calculation: Why is there a Difference?

- My Ballpark Estimate is \$1,406
- HRSSC's Annuity Estimate is \$1,248
- OPM's computation will be even different from that.
- The Ballpark Estimate and HRSSC's Annuity Estimate are based on one's Social Security age-62 projection, which is high. In reality you will not be working at your current level of earning until age 62.
- Also, your Social Security earnings for your years of FERS service include overtime, which OPM does not include.
- OPM computes what you would be getting from Social Security based only on your base salary during the time worked under FERS, then applies a more complicated formula that indexes those earnings.

# Maximum Annuity

## CSRS

- 80% of the high-3 average salary
- Equivalent to 41 years and 11 months service
- Limit may be exceeded with sick leave credits

## FERS

There is no maximum annuity under FERS

# Reduction for Survivor Annuity

Applies if an employee:

- Elects a survivor annuity for a spouse and/or former spouse
- Has a former spouse entitled to a survivor annuity based on a valid court order, and/or
- Elects to provide someone with an insurable interest annuity



***NOTE: A SURVIVING SPOUSE CAN CONTINUE FEHB COVERAGE AFTER AN ANNUITANT'S DEATH ONLY IF A SURVIVOR ELECTION WAS MADE AND THE SPOUSE WAS ACTIVELY COVERED AT THE TIME OF DEATH.***

# Cost of Survivor Annuity Reduction

## CSRS

**2.5% x \$3600**

**+**

**10% x Amount of base  
in excess of \$3600**

**Survivor receives 55%  
of the base elected by  
retiree**

## FERS

**Full survivor annuity  
(50%)  
10% of annuity**

**Partial survivor  
annuity (25%)  
5% of annuity**

# Test Your Understanding: Survivor Annuity

- On this FERS Annuity Estimate, what is the amount of Survivor's gross monthly annuity? \$ \_ \_ \_
- Is the amount of said Survivor's gross monthly annuity shown a Full Survivor Annuity or a Partial Survivor Annuity? \_\_\_\_\_

Annuity Estimate based on retirement effective date of 04/01/2019									
Salary History							Annuity Based On RCD Date Above Left		
From	To	Yrs	Mns	Days	Annual Rate	Gross Pay		Gross Annual Annuity	Gross Monthly Annuity
11/24/2018	04/01/2019	0	4	7	64,413	22,723	With Survivor Benefits	17,191	1,432
09/01/2018	11/24/2018	0	2	23	63,144	14,558			
03/03/2018	09/01/2018	0	5	28	62,499	30,902	Without Survivor Benefits	19,102	1,591
11/25/2017	03/03/2018	0	3	8	61,979	16,872			
09/02/2017	11/25/2017	0	2	23	61,201	14,110	Survivors (spouse) gross monthly annuity 795		
03/04/2017	09/02/2017	0	5	28	60,931	30,126			

- How is the monthly REDUCTION (not shown) for this survivor annuity computed? \_\_% of \_\_, \_\_ \_\_ \_\_
- How much would the annuitant receive, monthly, if she elected a Full Survivor Annuity for her spouse? \$ \_\_, \_\_ \_\_ \_\_ per month



# Reduction for Insurable Interest Annuity

“Insurable interest” is an insurance term which applies to someone who would reasonably expect to derive financial benefit from your continued life.

It is presumed to exist if you name as beneficiary of the insurable interest, any of the following individuals:

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

# Reduction for Insurable Interest Annuity

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

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

# Cost of Reduction for Insurable Interest Annuity

Age of person named in relation to age of retiring employee:

- older, same age, or less than 5 years younger 10 %
- 5 but less than 10 years younger 15%
- 10 but less than 15 years younger 20%
- 15 but less than 20 years younger 25%
- 20 but less than 25 years younger 30%
- 25 but less than 30 years younger 35%
- 30 or more years younger 40%

# How to retire

- Decide what day to retire
- Get annuity estimate
- Get blue book
- Copy blank forms in the blue book
- Set up counseling with HRSSC
- Ensure deposit is made for military time, if applicable
- Complete forms
- Send them in



# What is the best date to retire?

Once you are eligible to retire, you have the absolute right to decide when to retire. There may be financial considerations:

- Entitlement to FERS annuity begins the first day of the month following the month in which you retire. Therefore, many letter carriers decide to retire the last day of a month.
- Under CSRS you can retire on one of the first three days of a month and annuity commences the following day.
- Annual leave and sick leave are credited each pay period. But AL or SL are not prorated if an employee does not remain employed for an entire pay period. That is why some decide to retire on the last day of a pay period.

# Get annuity estimate

- **Call USPS Shared Services, give date you want to retire, ask for annuity estimate.**
- **Alternately, go on-line to USPS LiteBlue and enter data for a quicker estimate.**
- **Requests for estimates in no way bind you to retire on any requested date.**

# Sample Annuity Estimate

<b>Creditable Service</b>				Retirement Contributions	14,022.64		
Retirement Eligibility Date	12/14/2019			Annual Leave Earned Balance	333		
Retirement Comp Date (RCD)	11/22/1983			Hours Forfeited			
Annuity Comp Date (ACD)	11/22/1983			Annual Leave Balance	333		
Date of Birth	12/14/1963			Terminal Leave Payment	10,630		
	Yrs	Mos	Days	Insurance Coverage		Deductions	
Total Service (RCD)	36	2	9	Life		Employee/PP	Annuitant/Month
Sick Leave	0	10	12	Basic	17,250	None	22.42
Total Credit	37	0		Option A			
				Option B			
				Option C			
				Health	322	174.31	393.48
RSC: Q				Exceptions:			
Grade/Step: 02/O							
Salary: 66,403.00							
Retirement: Optional				Important: Please ensure your beneficiary forms are up to date. Have you reviewed your eOPF lately?			

**Annuity estimate based on retirement effective date of 02/01/2020**

Salary History					Annual Rate	Gross Pay	Annuity Based On RCD Date Plus Sick Leave	
From	To	Yrs	Mos	Days			Gross/Gross Annual/Monthly	...
08/31/2019	02/01/2020	0	5	0	66,403	27,667	Annual/Annuity	
11/24/2018	08/31/2019	0	9	7	65,766	50,603		
09/01/2018	11/24/2018	0	2	23	64,413	14,850	With/	21,387 1,782
03/03/2018	09/01/2018	0	5	28	63,768	31,529	Without	23,764 1,980
11/25/2017	03/03/2018	0	3	8	63,248	17,217	Survivor	
09/02/2017	11/25/2017	0	2	23	62,454	14,399	Benefits	
03/04/2017	09/02/2017	0	5	28	62,184	30,746	Survivors (spouse) gross monthly annuity	990
02/01/2017	03/04/2017	0	1	3	61,851	5,669		
							Annuity Based On ACD Date Plus Sick Leave	
							Gross/Gross Annual/Monthly	Annual/Annuity
							With/	21,387 1,782
							Without	23,764 1,980
							Survivor	
							Benefits	
							Survivors (spouse) gross monthly annuity	990
							FERS Retirement Supplement (if eligible)	
							Annual	15,972
							Monthly	1,331

High-3 Average Salary 64,228  
Total 3

Creditable Service

Retirement Eligibility Date	08/27/2015
Retirement Comp Date(RCD)	12/03/1988
Annuity Comp Date (ACD)	12/03/1988
Date of Birth	08/28/1959

	Years	Months	Days
Total Actual Service (Entitlement to annuity is determined from this total)	30	3	28
Time Represented by Sick Leave	0	9	0
Total Time Total Includes Frozen CSRS Of	31	0	28

RSC	Q
Grade/Step	01/O
Salary	64,413.00
Retirement Type	Optional

Retirement Contributions	10,773.73
Annual Leave Earned Balance	71
Hours Forfeited	
Annual Leave Balance	71
Terminal Leave Payment	2,198

Life Insurance	Coverage	Deductions Employee/PP	Deductions Annuitant/Month
Basic	16,750	None	21.77
Option A			
Option B			
Option C			
Health	322	174.31	393.48

Exceptions
------------

Annuity Estimate based on retirement effective date of 04/01/2019

**Annuity Estimate based on retirement effective date of 04/01/2019**



**RCD is used to determine eligibility to retire and assumes all service listed on the service history report is accurate**

Creditable Service

Retirement Eligibility Date	08/27/2015
Retirement Comp Date(RCD)	12/03/1988
Annuity Comp Date (ACD)	12/03/1988
Date of Birth	08/28/1959

Retirement Contributions	10,773.73
Annual Leave Earned Balance	71
Hours Forfeited	
Annual Leave Balance	71
Terminal Leave Payment	2,198

	Years	Months	Days
Total Actual Service (Entitlement to annuity is determined from this total)	30	3	28
Time Represented by Sick Leave	0	9	0
Total Time Total Includes Frozen CSRS Of	31	0	28

Life Insurance	Coverage	Deductions Employee/PP	Deductions Annuitant/Month
Basic	16,750	None	21.77
Option A			
Option B			
Option C			
Health	322	174.31	393.48

RSC	Q
Grade/Step	01/O
Salary	64,413.00
Retirement Type	Optional

Exceptions
------------

Annuity Estimate based on retirement effective date of 04/01/2019

**Total Time = Total Actual Service + Sick Leave  
Used to determine annuity computation  
31 Years 0 Months 28 Days**

Creditable Service

Retirement Eligibility Date	08/27/2015
Retirement Comp Date(RCD)	12/03/1988
Annuity Comp Date (ACD)	12/03/1988
Date of Birth	08/28/1959

	Years	Months	Days
Total Actual Service (Entitlement to annuity is determined from this total)	30	3	28
Time Represented by Sick Leave	0	9	0
<b>Total Time Total Includes Frozen CSRS Of</b>	<b>31</b>	<b>0</b>	<b>28</b>

RSC	Q
Grade/Step	01/O
Salary	64,413.00
Retirement Type	Optional

Retirement Contributions	10,773.73
Annual Leave Earned Balance	71
Hours Forfeited	
Annual Leave Balance	71
Terminal Leave Payment	2,198

Life Insurance	Coverage	Deductions Employee/PP	Deductions Annuitant/Month
Basic	16,750	None	21.77
Option A			
Option B			
Option C			
Health	322	174.31	393.48

Exceptions
------------

From	To	Yrs	Mns	Days	Annual Rate	Gross Pay
11/24/2018	04/01/2019	0	4	7	64,413	22,723
09/01/2018	11/24/2018	0	2	23	63,144	14,558
03/03/2018	09/01/2018	0	5	28	62,499	30,902
11/25/2017	03/03/2018	0	3	8	61,979	16,872
09/02/2017	11/25/2017	0	2	23	61,201	14,110
03/04/2017	09/02/2017	0	5	28	60,931	30,126
11/26/2016	03/04/2017	0	3	8	60,598	16,496
09/03/2016	11/26/2016	0	2	23	59,880	13,805
04/01/2016	09/03/2016	0	5	2	59,859	25,273
Total-3 Average Salary Total: 61,622						

	Gross Annual Annuity	Gross Monthly Annuity
With Survivor Benefits	17,191	1,432
Without Survivor Benefits	19,102	1,591
Survivors (spouse) gross monthly annuity 795		

Annuity Based On ACD Date Above Left

	Gross Annual Annuity	Gross Monthly Annuity
With Survivor Benefits	17,191	1,432
Without Survivor Benefits	19,102	1,591
FERS Special Supplement	14,976	1,248
Survivors (spouse) gross monthly annuity 795		

**HIGH-3 AVERAGE SALARY 61,622**

Salary History

From	To	Yrs	Mns	Days	Annual Rate	Gross Pay
11/24/2018	04/01/2019	0	4	7	64,413	22,723
09/01/2018	11/24/2018	0	2	23	63,144	14,558
03/03/2018	09/01/2018	0	5	28	62,499	30,302
11/25/2017	03/03/2018	0	3	8	61,979	16,872
09/02/2017	11/25/2017	0	2	23	61,201	14,110
03/04/2017	09/02/2017	0	5	28	60,931	30,126
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09/03/2016	11/26/2016	0	2	23	59,880	13,805
04/01/2016	09/03/2016	0	5	2	59,859	25,273
Total-3 Average Salary Total: 61,622						

Annuity Based On RCD Date Above Left

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Annuity Based On ACD Date Above Left

	Gross Annual Annuity	Gross Monthly Annuity
With Survivor Benefits	17,191	1,432
Without Survivor Benefits	19,102	1,591
FERS Special Supplement	14,976	1,248
Survivors (spouse) gross monthly annuity 795		

**Annuity Based on RCD Date**

	<b>Gross Annual Annuity</b>	<b>Gross Monthly Annuity</b>
With Survivor Benefits	<b>17,191</b>	<b>1,432</b>
Without Survivor Benefits	<b>19,102</b>	<b>1,591</b>
<b>Survivor's Gross Monthly Annuity: 795</b>		

From	To	Yrs	Mns	Days	Annual Rate	Gross Pay
11/24/2018	04/01/2019	0	4	7	64,413	22,723
09/01/2018	11/24/2018	0	2	23	63,144	14,558
03/03/2018	09/01/2018	0	5	28	62,499	30,902
11/25/2017	03/03/2018	0	3	8	61,979	16,872
09/02/2017	11/25/2017	0	2	23	61,201	14,110
03/04/2017	09/02/2017	0	5	28	60,931	30,126
11/26/2016	03/04/2017	0	3	8	60,598	16,496
09/03/2016	11/26/2016	0	2	23	59,880	13,805
04/01/2016	09/03/2016	0	5	2	59,859	25,273
Total-3 Average Salary Total: 61,622						

	Gross Annual Annuity	Gross Monthly Annuity
With Survivor Benefits	17,191	1,432
Without Survivor Benefits	19,102	1,591
Survivors (spouse) gross monthly annuity 795		

Annuity Based On ACD Date Above Left

	Gross Annual Annuity	Gross Monthly Annuity
With Survivor Benefits	17,191	1,432
Without Survivor Benefits	19,102	1,591
FERS Special Supplement	14,976	1,248
Survivors (spouse) gross monthly annuity 795		

**FERS Special Supplement**

**Gross Annual / Gross Monthly**

**14,976**

**1,248**

# Get blue book

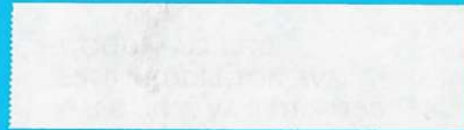
**OPM requires that retirement applications of current employees be submitted through the employing agency.**

**Call USPS Shared Services and ask for a retirement application packet (which USPS sends bound in a blue cover). It includes all of the necessary forms, each pre-printed at the top with your name and Employee Identification Number.**

**Copy the forms in the Blue Book, so that a blank form is always available. Some of the forms are not valid if erasures, whiteouts or corrections are made.**

RSSC  
PO BOX 970500  
GREENSBORO NC 27497-0500

First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10



USPS TRACKING # eVS



9200 1901 3953 3612 4789 31

Reference Number 99999999

*Provided by the Human Resources Shared Service Center  
Proud Recipient of the Shared Services Outsourcing Network Award*

# Set up counseling

**Call USPS Shared Services and request a phone counseling session.**

**You have a right to the counseling session on the clock.**

**You have a right to have your spouse and/or representative present at the session.** (Although if they are also postal employees, they do not have a right to be on the clock.)

**You have a right to a private space for the session.**

**See M-1708**



Mr. Fredric V. Rolando

President

National Association of letter  
Carriers, AFI-CIO  
100 Indiana Avenue, NW  
Washington, DC 20001-2144

**M-01708**

Re: Q01N-4Q-C 07150373  
Class - Article 19

Dear Mr. Rolando:

Our representatives have met on several occasions to discuss the above-referenced case scheduled for national arbitration.

After reviewing this matter, the parties agree to resolve this matter based on the following:

If an employee who is eligible for and has requested individual retirement counseling wishes to have this counseling on the clock, local management will arrange reasonably private space for this

...If an employee who is eligible for and has requested retirement counselling wishes to have this counselling on the clock, local management will arrange reasonably private space for this purpose and will permit the employee's spouse...to be with...

...if such employee is not able to call the HRSSC to begin or complete the individual retirement counselling process without assistance, local management will offer assistance....

Please sign and return the enclosed copy of this decision as acknowledgment of your agreement to resolve this case.

Sincerely,

Alan S. Moore  
Manager, labor Relations  
Policy and Programs

# **Complete deposit for military time If applicable**

**Deposit for military time, unlike deposit for prior non-career federal service, must be completed prior to retirement.**



# Complete forms

The forms in the Blue Book are preprinted with your name and employee ID number, which will help ensure efficient and problem-free processing.

A special note about SF 2801-1 (CSRS) or SF 3107-1 (FERS) Certified Summary of Federal Service:

This form will be blank. You have a right to know what USPS is certifying prior to signing; you are not required to sign this form.

# Send the forms in to HRSSC

- USPS' HRSSC will send the completed forms to its Eagan Finance Center, which will process the forms on to OPM.
- OPM will send you a CSA number and begin interim payments, usually without delay.
- Interim payments are computed at about 80% of estimated (net) annuity and only federal income taxes are withheld.
- Normally, after two or three months of interim payments, OPM will issue a final determination and begin full deductions, and also adjust for the prior interim payments.
- Annuity payments are made by OPM the first business day of the month following the month for which the payment is made.

# Some things to focus on before retirement

- **Flexible Spending Accounts**
- **Uniforms**
- **Copy Official Personnel Folder (OPF)**
- **Make copies of all retirement application forms once they are filled out for your records**

# Flexible Spending Accounts

- If you participate in the FSA, your period of participation ends the day after you retire. You may file a claim for the expenses of services or items that were received prior to the day after your retirement, but any services or items provided after your retirement date are not eligible for payment.
- Claims for reimbursement of services or items received while still employed may be made until September 30 of the following year.
- If you used your entire elected amount before it has been deducted from your pay, you will not be responsible for the remaining allotments.

# Uniforms

## ELM 936.2

### Payment for Uniform Purchase After Separation of Employee

Payment to the vendor is not allowed if the following conditions exist:

- a. The employee separates from the uniform program for any reason, including retirement, within 30 days following purchase of items of uniform wear that are *not* recognizable as distinctive uniform items unless worn with the basic outer garments of the uniform. In these cases notify both employee and specific vendor involved. Return the invoice to the vendor (see 936.32). Nondistinctive items include shoes, gloves, rubbers, galoshes, overboots, hose, face masks, pith helmets, and belts.
  
- b. When there is evidence that, before making the purchase, the employee indicated an intention to separate from the uniform program for any reason, including retirement, involuntary separation, or bid to an assignment not requiring the same uniform category, do not process the invoice for payment. After placing a copy of the invoice in the employee's uniform file with the appropriate remarks, return the invoice to the vendor advising why it will not be honored.

# Official Personnel Folder (OPF)

OPFs contain important documents such as:

- Health Benefits Program Registration
  - FEGLI Enrollment forms
  - Designations of Beneficiary
  - Form 50 history
- Active employees have on-line access to their OPF through USPS LiteBlue.
  - Retirees do not have access to LiteBlue.
  - Most retirees will never have a significant need to access proof of past HBP registration, FEGLI designation of beneficiary, Form 50 pay history, etc. However, sometimes problems arise with retirement that can be resolved easily if the retiree has these documents.



# Official Personnel Folder (OPF)

## Before you retire:

- Go on-line to Lite-Blue. Find your e-OPF. Copy it to paper or electronically. Save it.
- USPS will delete your access to Lite-Blue the day after you retire, and will send those OPF documents to the Federal Records Center. You will not be able to easily obtain these documents from USPS after you retire.
- If you ever do need a document\* to solve a problem or issue, you can simply retrieve it from your stored file.

\*E.g., Health Benefits registration, FEGLI coverage, designation of beneficiary, debt collection related documents, etc.

# Some things to know about after retirement

- Terminal Leave Payments (earned annual leave)
- Direct Deposit of Annuity Required
- Post Retirement Debt Collection
- OPM Services On-line
- Cost of Living Adjustments
- Federal Income Tax on Annuity
- Understanding OPM's Notice of Annuity Adjustment
- Maintain NALC Membership

# Saved Annual Leave Upon Retirement (Terminal Leave Payments)

Lump sum terminal leave payment includes:

- accumulated AL up to maximum carryover (normally 440 hours, but 520 hours in 2021), plus
- any unused donated leave, plus
- holidays that fall within the terminal leave period (for Full-Time Regulars and Part-Time Regulars)

Any part of the unused annual leave earned during the leave year of separation that is in excess of the maximum carryover amount is granted prior to separation rather than paid out in the form of a lump sum payment.

ELM 512.732b

Unused donated leave is included in the terminal leave payment irrespective of the maximum carryover; and all earned leave is included, if retiring under an early out (VER).

# Direct Deposit Required

OPM requires direct deposit of monthly annuity.

Deposit can be to an account at a financial institution such as a credit union or bank;

Or deposit can be to a Direct Express Card.

The card can be used to make purchases at stores that accept Debit MasterCard, pay bills, purchase money order at the Post Office, and get cash from an ATM or financial institution that accepts MasterCard. There are no fees for the deposit into the card each month, and no charge for using the card to make purchases.

Go to [www.GoDirect.org](http://www.GoDirect.org) for information about fees and the surcharge-free network.

# Post-Retirement Debt Collection

If you receive notice from USPS after retirement that you owe money to USPS, immediately contact your branch and your NBA office. The Debt Collection Act requires USPS to provide appeal rights. There is a 30 day time limit to appeal. A timely appeal will stop all collection efforts.

You can also file a grievance challenging a post-retirement debt collection notice, even though you are retired. The grievance must be received at Step B within thirty days from the date the retiree first learned, or may reasonably have been expected to have learned, of the Postal Service's intent to collect the debt.

If you do not timely appeal, USPS will advise the U.S. Treasury, which can then deduct the claimed debt from your retirement, income tax, social security, etc., without any appeal rights. Treasury can also add interest and penalties.

# Post-Retirement Debt Collection



**If you receive a debt collection letter from USPS after you retire, seek assistance from your branch, your NBA, or HQ.**

**Do not fail to initiate a timely appeal**

# Sign up for OPM MyRetirement Services Online

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

**You need your CSA number and a temporary password in order to sign up, so you cannot sign up until you receive those numbers from OPM.**



# OPM Services Online

- **View/Print 1099-R Tax Forms**
- **Change Federal and State Income Tax Withholding**
- **View/Print Annuity Statement/Verification of Income**
- **View/Print a Year-to-Date Summary Of Payments**
- **View/Print Verification of Life Insurance (FEGLI)**
- **Change Mailing Address**
- **Change SOL Password**
- **View the Status of Case while in Interim Pay**
- **Establish an Allotment to an Organization**
- **Request Duplicate Annuity Booklet**
- **Set up a Checking or Savings Allotment**
- **Sign up for Direct Deposit of Annuity Payment**
- **Update Email Address/Opt-in to Receive Information Electronically**
- **View/Print Retirement Services Reference Card (ID Card)**



# Cost of Living Adjustments (COLAS)

## CSRS

- Begins the first December after retirement
- First COLA is prorated

## FERS

- Generally not applied until the December after age 62
- Exception: Disability

# Cost of Living Adjustments (COLAS)

## CSRS

Equals the percent change in the Consumer Price Index (CPI)

## FERS

If the percent change in the CPI is:

- 0-2% the COLA equals the CPI increase
- 2-3% the COLA equals 2%
- Over 3% the COLA equals the change in the CPI minus 1%

# Federal Income Tax

**Your CSRS or FERS annuity is subject to federal income tax. The total amount you contributed into the Civil Service Retirement and Disability Trust Fund over your working career, however, is tax sheltered, since that amount has already been subject to federal income tax.**



Sample CSA 1099-R

PAID BY: OFFICE OF PERSONNEL MANAGEMENT      STATEMENT OF ANNUITY PAID 2012  
 RETIREMENT SERVICES PROGRAM                      Copy B - File with Federal tax return  
 P.O. BOX 45  
 BOYERS, PA 16017-0045

PAYER's Federal Identification 52-1234567	Recipient's ID No. (Annuitant) 123-66-77899	Account number (Retirement Claim No) CSA- 1234567	1. Gross distribution 18864.00
5. Employee Contribution Designated ROTH Contributions or Insurance Premiums  4038.12	PAID TO:		2a. Taxable amount 18348.48
7. Distribution Code(s) 7-NONDISABILITY			4. Federal Income Tax Withheld 226.00
9b. Total Employee Contributions  17615.00			12. State tax withheld NONE
			13. State/Payer's state no.
			12. State tax withheld NONE
			13. State/Payer's state no.

1. Gross distribution 18864.00
2a. Taxable Amount 18348.48

# Notice of Annuity Adjustment

Pensions are deposited monthly, on the first business day of each month. OPM only mails an explanation of benefits when there is an adjustment to an annuity (e.g., COLA increase, change in Health Benefit premiums or Life Insurance premiums, etc.)

When OPM sends a Notice of Annuity Adjustment, it will show 1) gross, 2) deductions, and 3) net. But the gross will be the amount after reduction for survivor annuity.

OPM does not list the cost of the reduction for survivor annuity as a deduction. Instead, OPM lists the gross annuity as the amount after reduction for survivor annuity.

## NOTICE OF ANNUITY ADJUSTMENT

This notice informs you of a change in the amount of your payments. Please read the back of the notice. If you have questions, call us or write to the address shown below.

	GROSS MONTHLY ANNUITY	MONTHLY HEALTH BENEFITS	MONTHLY MEDICARE	OTHER DEDUCTIONS OR ADDITIONS*				NET MONTHLY PAYMENT	
				CODE	AMOUNT	CODE	AMOUNT		
OLD STATUS	1456.00	-247.00		46	-17.23			1591.70	YOUR PAYMENT BEFORE ADJUSTMENT
				67	+570.00				
				42	-74.17				
				04	-.84				
				31	-75.06				
				45	20.00				
NEW STATUS	1456.00	-252.14		46	-17.23			1586.56	YOUR PAYMENT AFTER ADJUSTMENT
				67	+570.00				
				42	-79.95				
				04	-.84				
				31	-75.06				
				45	-20.00				

\*SEE BACK FOR CODES FOR OTHER DEDUCTIONS OR ADDITIONS

**UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
RETIREMENT OPERATIONS CENTER  
PO BOX 45  
BOYERS PA 16017-0045**

YOUR PAYMENT DATED: 02/02/2009

REFER TO THIS NUMBER WHENEVER YOU CONTACT OPM

**CLAIM NUMBER**  
**CSA 8 123456 0**

46	-17.23	←	Basic Life Insurance
67	+570.00	←	FERS Supplement
42	-79.95	←	Dental Insurance
04	-.84	←	Union Dues
31	-75.06	←	Federal Taxes
45	-20.00	←	Letter Carrier Political Fund

# Maintain NALC Membership

## National Constitution

### Article 2 Section 1(a):

Membership in the NALC shall be... retirees... who were regular members of the NALC when they retired...

### Article 2 Section 1(e):

A Form 1189 (Dues Check-off Provision) must be signed by all retiring members within the NALC who wish to retain their membership... effective October 1, 1982.

1189 must include CSA number!

Revised Form 1189 (Aug 13)

**REQUEST AND AUTHORIZATION FOR VOLUNTARY ALLOTMENT FROM ANNUITY FOR PAYMENT OF ORGANIZATION DUES TO**

**NALC**

(Social Security Number)

FERS/CERS (Civil Service Annuity Number)

\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ **CSA** - \_\_\_\_\_ - **0**

Name of Retired Employee \_\_\_\_\_

\_\_\_\_\_  
Last First Middle Initial

Address \_\_\_\_\_

\_\_\_\_\_  
Number and Street City State Zip Code

Home Phone Number \_\_\_\_\_  
Area Code ( ) Branch No. \_\_\_\_\_

Date of Birth \_\_\_\_\_ Effective Date of Retirement \_\_\_\_\_  
Month—Day—Year

**AUTHORIZATION**

I authorize the United States Office of Personnel Management to make appropriate deductions from my annuity payments, not to exceed the amount certified by the National Association of Letter Carriers as the amount of dues for which I am obligated and to pay the deducted sum to the National Association of Letter Carriers. This authorization shall also apply to any and all dues changes certified by the National Association of Letter Carriers.

**Notice:** Contributions or gifts to the National Association of Letter Carriers, AFL-CIO are not tax deductible as charitable contributions for Federal income tax purposes. However, they may be tax deductible under other provisions of the Internal Revenue Code.

I understand that this authorization shall be valid until NALC receives and processes my written notice of cancellation in accordance with its agreement with the Office of Personnel Management and that any disputes regarding this authorization shall be a matter between the NALC and myself. I hold the Office of Personnel Management harmless for any erroneous allotment deductions made pursuant to this authorization.

I also authorize the Office of Personnel Management to disclose any information necessary to execute this request.

\_\_\_\_\_  
(Signature of Annuitant) (Date)

Over for ADDITIONAL INFORMATION

**THIS SECTION TO BE COMPLETED BY BRANCH OFFICER**

I hereby certify that the dues of this organization for the above named member are currently established at \$ \_\_\_\_\_ per year

\_\_\_\_\_  
SIGNATURE AND TITLE OF AUTHORIZED UNION OFFICIAL DATE

NALC HEADQUARTERS USE

Date Received at NALC \_\_\_\_\_ Date Submitted to OPM \_\_\_\_\_

Original Copy - NALC Headquarters  
2nd Copy - Branch Copy  
3rd Copy - Member's Copy

NALC HEADQUARTERS COPY



# National Retiree Dues

**National Constitution Article 7(b):**

**A member who has retired from the Postal Service under the CSRS or FERS shall pay to the National Association \$7 per annum...**



# Annual State Retiree Dues

• Alabama	\$4.00	• Idaho	0
• Alaska	0	• Illinois	0
• Arizona	0	• Indiana	0
• Arkansas	0	• Iowa	0
• California	\$0.50	• Kansas	\$7.85
• Colorado	0	• Kentucky	0
• Connecticut	0	• Louisiana	0
• Delaware	0	• Maine	0
• DC	\$5.00	• Maryland	\$5.00
• Florida	\$5.10	• Massachusetts	\$1.25
• Georgia	\$2.50	• Michigan	0
• Guam	0	• Minnesota	0
• Hawaii	0	• Mississippi	0
		• Missouri	0

# Annual State Retiree Dues

• Montana	0	• Puerto Rico	\$3.60
• Nebraska	\$4.80	• Rhode Island	\$0
• Nevada	0	• South Carolina	\$1.00
• New Hampshire	0	• South Dakota	0
• New Jersey	\$1.00	• Tennessee	\$2.00
• New Mexico	0	• Texas	0
• New York	\$3.60	• Utah	\$1.20
• North Carolina	\$2.00	• Vermont	0
• North Dakota	\$5.00	• Virginia	\$6.00
• Ohio	\$1.20	• Virgin Island	0
• Oklahoma	\$3.60	• Washington	\$7.20
• Oregon	\$2.40	• West Virginia	\$24.00
• Pennsylvania	\$0.50	• Wisconsin	\$1.20
		• Wyoming	0

# Important Phone Numbers

**USPS Shared Services: 877-477-3273 (option 5)**

**NBA:        *(name)*                                *(phone number)***

**NALC Retirement Dept:                                202-393-4695**

**Toll-free MWTh 10-12 & 2-4:                                800-424-5186**



# More Information

Sign up to **receive** the Benefits Info listserv emails!

Log into the OPM webpage at:

[http://apps.opm.gov/Listserv\\_Apps/list-sub.cfm](http://apps.opm.gov/Listserv_Apps/list-sub.cfm)

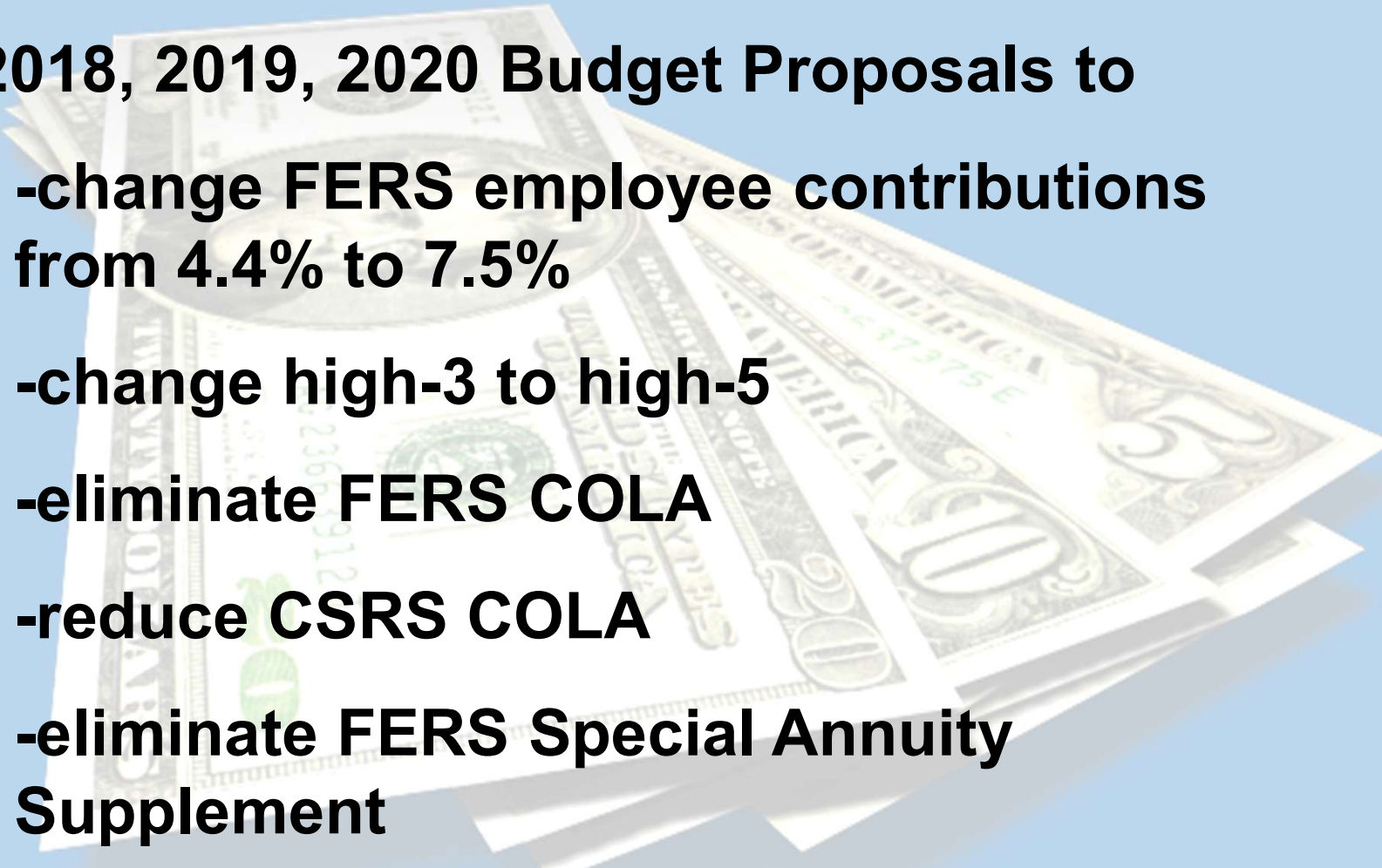


# The War on Retirement

## Legislative Attacks



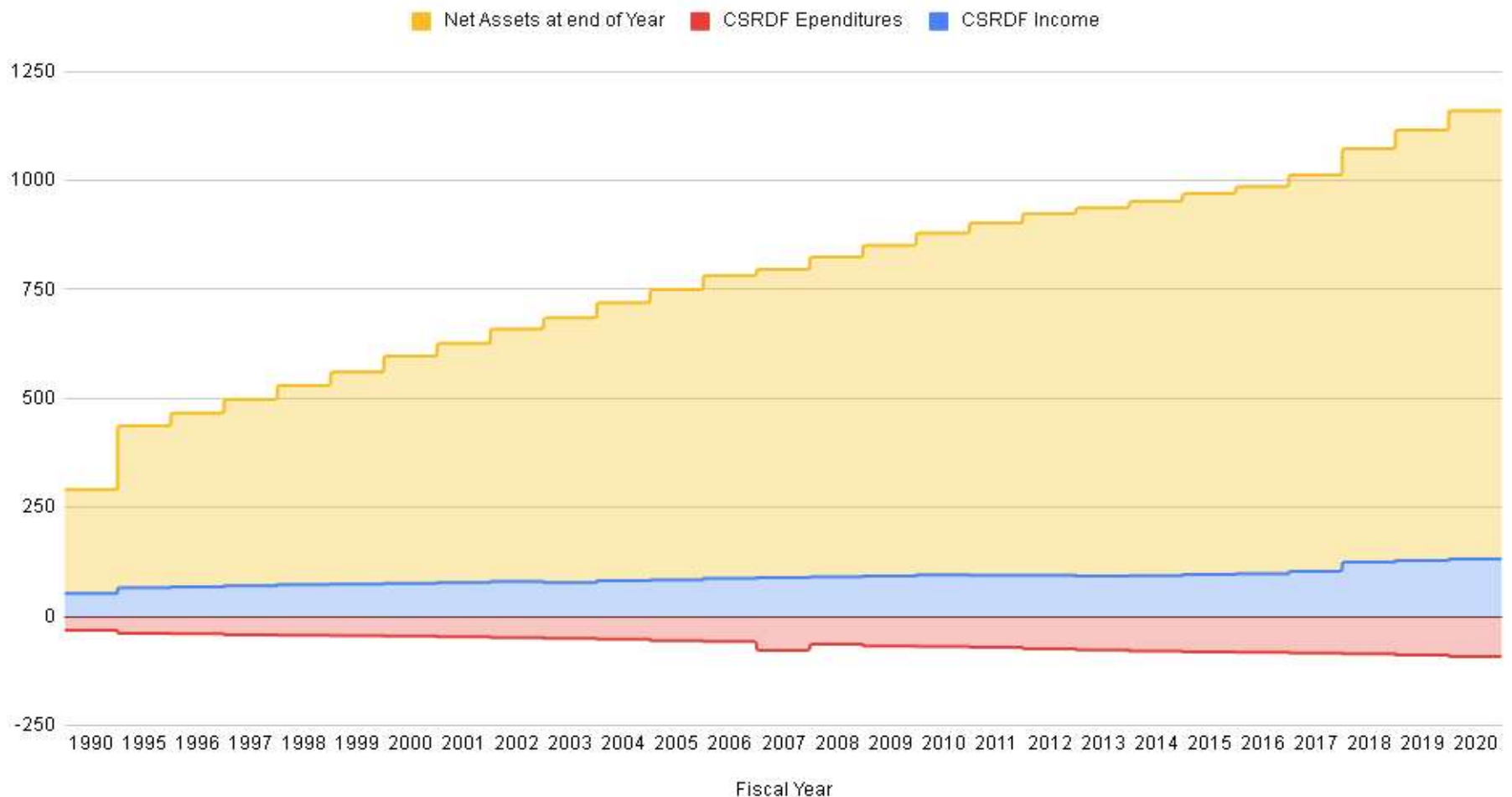
- **2012 Budget Proposal to reduce Social Security COLAs (not passed)**
- **2012 House Resolution passed: Changes employee contributions from 7% to 12%, employer contributions from 7% to 2% (not passed by the Senate)**
- **2013 Law changed FERS employee contributions from 0.8% to 3.1% (law passed!)**
- **2014 Law changed FERS employee contributions from 3.1% to 4.4% (law passed!)**

- 
- A stack of US dollar bills, including a \$100 bill, a \$20 bill, and a \$5 bill, is shown in the background, slightly blurred and tilted. The bills are set against a light blue background.
- **2018, 2019, 2020 Budget Proposals to**
    - change FERS employee contributions from 4.4% to 7.5%**
    - change high-3 to high-5**
    - eliminate FERS COLA**
    - reduce CSRS COLA**
    - eliminate FERS Special Annuity Supplement**
    - reduce TSP G-Fund interest rate**



# Civil Service Disability and Retirement Fund has always shown a pattern of growth while all those cuts were proposed and/or implemented:

CSRDF Income, CSRDF Ependitures and Net Assets at end of Year (in billions of \$)



*Active & Retired Letter Carriers:*

# Fight Back!



- Vote

- Contribute to Letter Carrier Political Fund

By making a contribution to the Letter Carrier Political Fund, you are doing so voluntarily with the understanding that your contribution is not a condition of membership in the National Association of Letter Carriers or of employment by the Postal Service, nor is it part of union dues. You have a right to refuse to contribute without any reprisal. The Letter Carrier Political Fund will use the money it receives to contribute to candidates for federal office and undertake other political spending as permitted by law. Your selection shall remain in full force and effect until cancelled. Contributions to the Letter Carrier Political Fund are not deductible for federal income tax purposes. Federal law prohibits the Letter Carrier Political Fund from soliciting contributions from individuals who are not NALC members, executive and administrative staff or their families. Any contribution received from such an individual will be refunded to that individual.

...with the understanding that your contribution is not a condition of union membership...nor is it part of union dues....The Letter Carrier Political Fund will use the money it receives to contribute to candidates for federal office and undertake other political spending....Contributions to the LCPF are not deductible for federal income tax purposes....

...of employer of individuals who contribute more or less than you. Your decision not to contribute.

ANY  
QUESTIONS  
?

# Post-Retirement FEHB

Federal Employees Health Benefits



# FEHB Information for Retirees

<https://www.opm.gov/healthcare-insurance/healthcare/eligibility/information-for-retirees-and-survivor-annuitants.pdf>



# FEHB Eligibility when Retiring

- In order to carry your FEHB coverage into retirement, you must be entitled to retire on an immediate annuity (including the Federal Employees Retirement System (FERS) Minimum Retirement Age (MRA) + 10 retirement); and
- -you must have been continuously enrolled (or covered as a family member) in any FEHB plan(s) for the 5 years of service immediately before the date your annuity starts, (a.k.a. the 5 year rule) or first opportunity to enroll if less than 5 years.
- The 5 year requirement period can include the following:
  - -the time you are covered as a family member under another person's FEHB enrollment; or
  - -the time you are covered under the Uniformed Services Health Benefits Program (also known as TRICARE) as long as you were covered under an FEHB enrollment at the time of your retirement.
  - ***NOTE: A SURVIVING SPOUSE CAN CONTINUE FEHB COVERAGE AFTER AN ANNUITANT'S DEATH ONLY IF A SURVIVOR ELECTION WAS MADE AND THE SPOUSE WAS ACTIVELY COVERED AT THE TIME OF DEATH.***

# FEHB Eligibility

## Deferred Annuitants

- You may have coverage under the program as a family member based on your spouse's enrollment, but not based on your deferred annuity.



# FEHB Eligibility

## FERS Postponed Retirement

- If you separated from Federal service *before you could retire* you are not eligible to enroll in the FEHBP when you start to receive your deferred annuity.
- Only under FERS, if you are *eligible for an immediate retirement at separation*, you are eligible to reenroll for health benefits and life insurance coverage when you begin to receive your postponed annuity, *if you were eligible to continue the coverage in retirement.*







- Most letter carriers maintain FEHB coverage in retirement because USPS continues to pay a large share of the premiums (about 72%). \*
- Retirees pay the same FEHB premiums as non-postal federal employees, and have the same open season opportunities as active employees.

\*This PS obligation is the basis of the annual \$5.8 billion pre-funding problem.



- Generally, decisions to drop FEHB coverage are irrevocable.\*
  - If you cancel your FEHB to be covered as a family member under another person's FEHB enrollment, you are eligible to reenroll if you lose coverage under the other person's enrollment as long as you were eligible to carry coverage at retirement. To reenroll, you must contact OPM within the period beginning 31 days before and ending 60 days after your loss of other FEHB coverage.
- \*Certain circumstances permit suspension (as opposed to termination) of FEHB enrollment: enrolling in Medicare Advantage, TRICARE, CHAMPVA, or Medicaid.

# Post-Retirement FEGLI

- Federal Employees Group Life Insurance

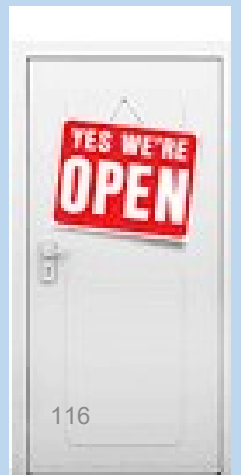


# FEGLI Handbook

<https://www.opm.gov/healthcare-insurance/life-insurance/reference-materials/handbook.pdf>

FEGLI is term life insurance. It does not build any cash value. There are no regularly scheduled open seasons to elect or increase FEGLI coverage. OPM schedules open seasons intermittently and rarely.

OPM last scheduled an open season for September 1, 2016 through September 30, 2016.





- In order to carry any FEGLI coverage into retirement, you must have been covered for the five years prior to retirement.
- Annuitants can reduce or cancel FEGLI coverage at any time.
- If annuitant elects to reduce or cancel any part of FEGLI coverage, the election is irrevocable.
- Annuitants cannot increase coverage, even during open season.



**Basic - Final salary rounded up to nearest 1,000 plus \$2,000**

**Option A - Straight \$10,000**

**Option B - Final salary rounded up to nearest 1,000, times up to 5 multiples**

**Option C - Family: \$5,000 spouse and \$2,500 eligible children times up to 5 multiples**

# Basic – Final salary rounded up to nearest 1,000 plus \$2000

## Three choices at retirement:

- **75% Reduction – payout reduces 2% per month starting at age 65 (or at retirement if > 65) until it reaches 25%, then frozen. No additional premiums after age 65**
- **50% Reduction – payout reduces 1% per month starting at age 65 (or at retirement if >65) until it reaches 50%, then frozen. Premiums increase with age for life (unless annuitant switches to 75% reduction)**
- **No Reduction – payout remains at final salary rounded up to nearest 1,000 plus \$2,000. Premiums increase with age for life unless annuitant switches to 75% reduction)**

# Option A - Straight \$10,000

- The amount of Option A coverage automatically begins reducing at age 65 (or retirement, if later).
- There is no election other than whether to keep it. If yes, you pay premiums until age 65.
- At age 65 you stop paying premiums. The amount of coverage reduces by 2% (\$200) each month until the amount has been reduced by 75%. Only 25% of the original amount (\$2,500) is payable as a death benefit once the full reduction has been reached.



## **Option B – Final salary rounded to next 1,000, up to 5 multiples**

- **At retirement, elect how many of your multiples you want to continue, and choose “no reduction” or “full reduction” (50% is not an option) at age 65 (or retire, if later). You may split elections among your multiples.**
- **If “full reduction” is elected, the original value reduces by 2% each month for 50 months, at which time no benefits are payable. No additional premiums after age 65.**
- **If “no reduction” is elected, there is no reduction in coverage, but you will continue to pay premiums associated with your age group.**

## **Option C – Family: \$5,000 spouse and \$2,500 eligible children times up to 5 multiples**

- **At retirement, elect how many of your multiples you want to continue, and choose “no reduction” or “full reduction” at age 65 (or retire, if later).**
- **If “full reduction” is elected, the value reduces by 2% of the original amount each month for 50 months, at which time no benefits are payable. No additional premiums after age 65.**
- **If “no reduction” is elected, there is no reduction in coverage, but you will continue to pay premiums appropriate to your age group.**

# Monthly cost for continuing Basic FEGLI Per \$1000 of coverage

<u>Age</u>	<u>75% Reduction</u>	<u>50% Reduction</u>	<u>No Reduction</u>
Up to 65	\$0.3250	\$1.0350	\$2.4550
After 65	Free	\$0.71	\$2.13



# Monthly cost for continuing Option A Standard FEGLI

<b>Age:</b>	<b>&lt;35</b>	<b>35 – 39</b>	<b>40 – 44</b>	<b>45 – 49</b>	<b>50 – 54</b>	<b>55- 59</b>	<b>60 – 64</b>	<b>65+</b>
<b>Rate:</b>	<b>\$0.43</b>	<b>\$0.65</b>	<b>\$0.87</b>	<b>\$1.52</b>	<b>\$2.38</b>	<b>\$4.33</b>	<b>\$13.00</b>	<b>Free</b>

# Monthly cost for continuing Option B Additional FEGLI Per \$1000 of coverage

Age	<35	35–39	40–44	45–49	50–54	55–59	60–64
Rate	\$0.043	\$0.065	\$0.087	\$0.152	\$0.238	\$0.433	\$0.953

If full reduction is elected, the cost is free from age 65 and after.

If no reduction is elected, the cost continues to increase with age:

Age	65–69	70–74	75–79	80 and over
Rate	\$1.17	\$2.08	\$3.90	\$5.72

# Monthly cost for continuing Option C Family FEGLI, per multiple

**1 multiple = \$5,000 for a spouse**

**1 multiple = \$2,500 for each eligible dependent  
child**

Age	<35	35 – 39	40 – 44	45 – 49	50 – 54	55 – 59	60 – 64
Rate	\$0.48	\$0.59	\$0.89	\$1.28	\$1.99	\$3.21	\$5.85

If full reduction is elected, the cost is free after age 65.

If no reduction is elected, the cost continues to increase with age:

Age	65 – 69	70 – 74	75 – 79	80 and over
Rate	\$6.80	\$8.30	\$11.40	\$15.60

# Questions about FEGLI?



# Thrift Savings Plan

**The Thrift Savings Plan is administered by the Federal Retirement Thrift Investment Board (FRTIB). The Board is required by law to manage the TSP solely in the interest of TSP participants and their beneficiaries.**

**An Employee Thrift Advisory Council (ETAC) provides advice to the Board on investment policies and administration of the TSP. The NALC Chief of Staff to President Rolando, Jim Sauber, serves on the ETAC as vice chairman.**



## **TSP Modernization Act of 2017, In Effect Since 9/15/2019**

**adds flexible withdrawal options and more choices**

- This means you'll be able to enjoy TSP's low fees through retirement and adjust the way you access your savings as your needs change over time.
- With flexible withdrawal options and a choice among single partial withdrawals, installment payments, and life annuity purchases, you have endless ways to use your TSP account to meet your retirement goals.

# Thrift Savings Plan

When you became a TSP participant, you received:

- A 13-digit TSP account number - the primary means of identifying your account. Once you have logged into your account on the website, you can create a customized user ID to use instead of your account number for Web transactions;
- A Web password to access your account on the website; and
- A 4-digit Personal Identification Number (PIN), which you will use to access your account on the ThriftLine (1-TSP-YOU-FRST).

Use that information to access your own TSP account. To log on, or obtain a new password, go here:

<https://www.tsp.gov/tsp/login.html>

# Thrift Savings Plan

When you retire with a significant TSP balance, a host of financial planners, insurance salesmen, stockbrokers, bankers, hedge-fund operators, and the like are going to be very interested in that balance. They will try and convince you to take your money out of the TSP and invest it with them.

Consider asking them the questions on the next slide.



# Questions for financial planners

who suggest you roll over your TSP and invest with them

- What is the average net expense I will pay for every \$1,000 I invest?
- What additional annual fees, commissions, or charges will I pay for investments?
- What profit do you make if I invest with you?
- Do you have a responsibility (fiduciary obligation) to put my interests ahead of your own?
- Will your plan protect my retirement from creditors' claims?
- When I retire, can I receive a series of scheduled withdrawals without giving up control of my account?
- Can I change my investments or take withdrawals without being subject to surrender fees or back-end charges?

# Thrift Savings Plan

It costs money to operate any financial investment fund. A standard way to measure such costs is known as Net Expense Ratio.

The average net expense ratio for TSP funds in 2018\* was 0.040% . That is 4/100 of one percent, or *40 cents per \$1,000*.

Compare that with the average net expense ratio of for-profit actively managed mutual funds of about 1.5 percent, or *\$15 per \$1,000*.

Thus, on average, a private investment fund would cost \$3,000 per year, versus TSP costing \$80 per year on an account balance of \$200,000

\*most recent information available from [tsp.gov](http://tsp.gov) as of January 2020

# Thrift Savings Plan

## The age 59 ½ early withdrawal penalty

If you receive a TSP withdrawal payment before you reach age 59½, in addition to the regular income tax, you may have to pay an early withdrawal penalty tax equal to 10% of any taxable portion of the payment that is not transferred or rolled over.

However, if you separate from service during or after the year you reach age 55 ...., then the 10% early withdrawal penalty tax does not apply.

<https://www.tsp.gov/LifeEvents/career/enteringRetirement.html>

# Thrift Savings Plan

## After Retirement

### After separation:

- You can leave your money in the TSP
  - You may not continue to make contributions
  - You can transfer eligible money into your TSP (e.g., IRA)
  - Your account will continue to accrue earnings
  - You can continue to change your investment choices
  - If your vested account balance is \$200 or more, you never have to take a withdrawal from your account except for IRS-required minimum distributions, which start once you're both separated from service and age 72 or older.
- \* The age 72 withdrawal rule does not apply if you are still working for, and have not separated from, the Postal Service

# Thrift Savings Plan

## Age 72 withdrawal rule, RMD

Internal Revenue Code requires that you receive a portion of your TSP account (your “required minimum distribution” or “RMD”) beginning in the calendar year when you become age 72 and are separated from service.

If you do not start withdrawing by age 72 or the total amount of your withdrawals does not satisfy the RMD requirement, TSP will not freeze your account; instead, they disburse your RMD or issue a supplemental payment for the remaining amount of your RMD by the deadline each year.

If they automatically send you an RMD because you did not withdraw a sufficient amount and you have both traditional and Roth balances in your TSP account, the automatic RMD will be taken proportionally from each balance.



# Thrift Savings Plan

## Withdrawals After Leaving Federal Service

After separation, there are three basic withdrawal options:

- TSP installment payments (a fixed dollar amount or one based on life expectancy)
- Unlimited single withdrawals of \$1,000 or more (TSP will not process more than one per 30-day period)
- annuities (purchased for you from TSP's annuity vendor; \$3,500 minimum)

You can choose any of these options or any combination of them.

**\*Withdrawals are subject to federal income tax.**

# Thrift Savings Plan

## Withdrawals After Leaving Federal Service

Effective September 15, 2019:

- After you separate from service, you can take multiple post-separation partial withdrawals.
- If you're 59½ or older and still working in federal civilian or uniformed service, you can take up to four in-service withdrawals each year.
- You'll be able to choose whether your withdrawal should come from your Roth balance, your traditional balance, or a proportional mix of both.
- You will no longer need to make a full withdrawal election after you turn 70½ and are separated from federal service. (You will still need to receive IRS required minimum distributions (RMDs).)
- If you're a separated participant, you'll be able to take monthly, quarterly, or annual payments.
- You'll be able stop, start, or make changes to your installment payments at any time.
- You'll have enhanced online tools to help you make withdrawals in the My Account section of [tsp.gov](https://tsp.gov).

# Thrift Savings Plan

## Annuities

You can purchase a life annuity (a monthly benefit paid to you for life). The TSP will purchase the annuity for you from the TSP provider (Metlife). Additional features that allow for beneficiaries are available for each type.

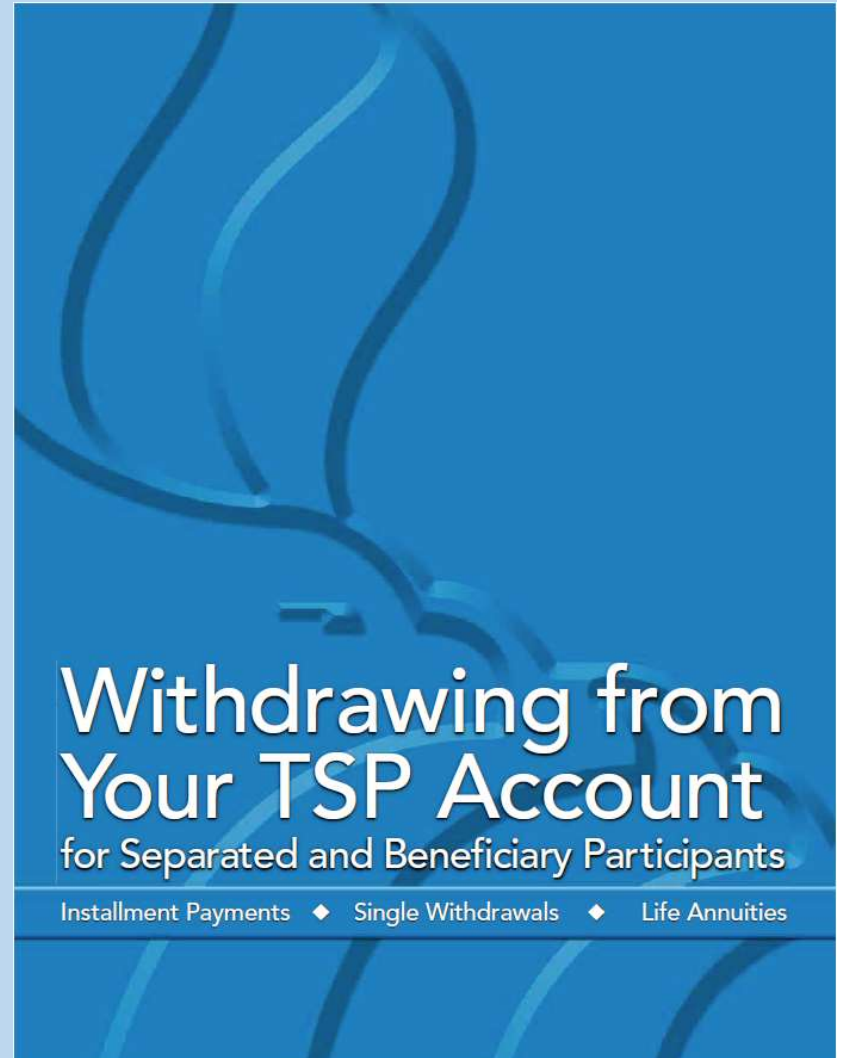
- Single life annuity – with level or increasing payments
- Joint life annuity with your spouse – with level or increasing payments, and with 100% or 50% survivor annuity
- Joint life annuity with someone other than your spouse – with level payments, and with 100% or 50%\* survivor annuity

\* If joint annuitant other than your spouse is more than 10 years younger than you, you must choose a 50% survivor benefit, except in cases of former spouse court order

# Thrift Savings Plan

Obtain a copy of the TSP booklet:

“Withdrawing from Your TSP Account  
for Separated and Beneficiary  
Participants”



<https://www.tsp.gov/PDF/formspubs/tspbk02.pdf>

# Any Questions about TSP?



# Social Security

To create your own social security account on-line and get your estimate, go here:

<https://www.ssa.gov/myaccount/>



Social Security

SEARCH MENU LANGUAGES SIGN IN/UP

Set yourself free.

Open a my Social Security account today and rest easy knowing that you're in control of your future.

Sign In or Create an Account

Learn How to Protect Your Social Security Information from Unauthorized Access.

# Social Security Full Retirement

Age to Receive full Social Security Benefits:

<u>Age</u>	<u>Year of Birth</u>
66	1943-1954
66 and 2 months	1955
66 and 4 months	1956
66 and 6 months	1957
66 and 8 months	1958
66 and 10 months	1959
67	1960 and after

# Social Security Early Retirement

You can get Social Security retirement benefits as early as age 62. However, Social Security will reduce your benefit if you retire before your full retirement age.

For example, if you retire at age 62, your benefit would be about 25 percent lower than it would be if you waited until you reach full retirement age.





# Social Security Delayed Retirement

- You may choose to keep working even beyond your full retirement age. If you do, you can increase your future Social Security benefits in two ways.
  - Each extra year you work adds another year of earnings to your Social Security record.
  - Also, your benefit will increase automatically by a certain percentage from the time you reach your full retirement age until you start receiving your benefits or until you reach age 70. The percentage varies depending on your year of birth.

For example, if you were born in 1943 or later, you'll add 8 percent a year to your benefit for each year you delay signing up for Social Security beyond your full retirement age.

# Social Security Early Retirement Earnings Offset

If you work and get benefits at the same time:

You can continue to work and still get retirement benefits. Your earnings in (or after) the month you reach your full retirement age won't reduce your Social Security benefits. Social Security will reduce your benefits, however, if your earnings exceed certain limits for the months before you reach full retirement age.

*Here is how it works:*

- If you're younger than full retirement age, Social Security will deduct \$1 in benefits for each \$2 you earn above the annual limit (\$18,960).
- In the year you reach your full retirement age, Social Security will reduce your benefits \$1 for every \$3 you earn over an annual limit until the month you reach full retirement age. Once you reach full retirement age, you can keep working and your benefit won't be reduced no matter how much you earn.

**PRESENTATION FINISHED**



**...ANY QUESTIONS?**

makeameme.org