

FEDERAL EMPLOYEES RETIREMENT AWARENESS: Many websites are devoted to the subject of Civil Service Retirement. The following is a brief overview of the basic criteria and benefits or check out <http://www.opm.gov/retire/>

COMMENCEMENT DATE OF ANNUITY: If you retire voluntarily under the Civil Service Retirement System (CSRS), you can set your retirement date for the first, second, or third day of the month, and your annuity begins the following day. If you retire voluntarily on the fourth day or after, you will not begin to accrue an annuity until the following month. If you voluntarily retire under the Federal Employee's Retirement System (FERS) your annuity will begin the first day of the following month that you retired. As a retired employee you can be paid benefits for part of a month if your retirement is involuntary or because of disability.

ANNUAL LEAVE CARRY-OVER: You will want to plan your retirement date and annual leave use if you expect to have "use or lose" to your credit. Excess annual leave is lost at the beginning of a new leave year. When you retire you will be paid for all accumulated annual leave, including that which is above your maximum carry-over.

LEAVE ACCURALS: Leave can only be earned during complete pay periods. Retiring on any day of a pay period other than the last day will prevent you from earning leave for that pay period.

CREDIT FOR SICK LEAVE: Under CSRS, the total creditable civilian and military service combined with credit for sick leave, is used in computing the annuity payments. The total is then rounded down to include full years and months (excluding the days). In most cases, one month of service increases your annuity by one-sixth of one percent of the high three average salary. Under FERS, unused sick leave is not counted for length of service for annuity purposes. For those employees who were vested in the CSRS system and later switched to FERS, the lesser of the amount of sick leave at the time of retirement or the amount of sick leave when FERS was elected, is included in the CSRS portion of the annuity computation.

FEDERAL EMPLOYEES GROUP LIFE INSURANCE:

Basic Insurance: Life insurance coverage can be transferred into retirement if you have had coverage since the first opportunity to enroll or for five continuous years immediately preceding the date of your retirement. You must continue your Basic Life insurance in order to keep any of the Optional coverage. For more information on options available at retirement review the SF-2818 Form located at <http://www.opm.gov/insure/life/pubslst/sf2818.asp> Premium costs for age groups can be located at: <http://www.opm.gov/insure/life/>

LIFE INSURANCE - SECURITY MUTUAL OR NGAUS: If you have one or both of these life insurances, you have the options of continuing coverage and making payment directly to the company or canceling. Deductions will not be made from your annuity payment.

HEALTH INSURANCE: Health insurance continues if you have been enrolled since first eligible or for five continuous years immediately prior to the date of your retirement. The cost will remain the same as if you were a current employee. You will be entitled to the same privileges as a current employee in making changes during open season and other changes that occur. During retirement, Medicare becomes the primary insurance at age 65 and FEHB is secondary. Your spouse is eligible to continue FEHB coverage after your death only if you have self and family coverage and you elect to provide a survivor annuity at the time of retirement. Tricare at age 60 and Tricare for Life starting at age 65 allows you to suspend your FEHB.

THRIFT SAVINGS PLAN (TSP): If you are enrolled in TSP when you retire, you will be given information about the options available. Your options include withdrawing all of your money in a lump-sum, elect equal payments, elect an annuity, roll the money over into an IRA, or leaving the money in your TSP account etc..

DIRECT DEPOSIT: When your records are transferred to OPM, current personal allotments will stop as you know them as an employee.

COST OF LIVING ADJUSTMENT (COLA): For CSRS retirees, the first cost-of living adjustment is prorated. FERS retirees do not receive a COLA until age 62.

INCOME TAX: Some consideration should be taken if upon retirement you receive a large lump-sum payment for annual leave. Information about taxation of your annuity is explained in IRS Publication 721 which you can obtain by internet or calling the IRS Office.

TAX WITHHOLDING: Federal Income Tax will be withheld at the same rate you were claiming from your employment wages. State income tax is not withheld unless requested after you are receipt of your Civil Service Annuity (CSA) Number.

PROCESSING YOUR RETIREMENT APPLICATION: You will be required to complete a retirement application. The Employee Services Section of the Human Resources Office will assist you with the retirement process and application.

Questions about retirement or other employee benefits contact the Technician Services Section