

What Happens When You Say 'I Do'

By Tammy Flanagan

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There are many benefits to working for Uncle Sam, but for some, the biggest one has been meeting their future spouse and creating a union of two federal employees. The human resources/benefits office at your agency calls this a “life event.” By the way, if you are getting married—it doesn’t matter whether you are marrying someone who is also a federal employee or retiree—this is a time to review your benefits and consider what changes might be in order. Life events also include divorce, birth or adoption of a child as well as the death of a family member.

I want to share a recent email exchange with a federal employee who has found love with a fellow federal employee:

Dear Tammy,

I turned 52 earlier this month and my “boyfriend” will turn 62 in July. We’re both feds, and we started seeing each other about six months ago. It’s pretty serious. Neither of us ever has been married and we have no children or dependents between us; marrying would seem to be folly.

When I turned 50, I consulted an attorney who drew up all of my estate planning documents, including a medical directive. My boyfriend’s name doesn’t appear in any of them because we weren’t dating then. My boyfriend has not yet had his estate planning documents drawn up, but that is on his to-do list for 2015. He has federal long-term care insurance; I don’t, and I don’t intend to procure it until it has been around longer and road-tested more.

We both are very vigorous and in good health, fingers crossed, but who knows. Each of us worries that if we ever do marry and the other becomes incapacitated, it could drain first the sick spouse’s savings and then the healthy spouse’s savings.

Given everything else, will housing be the determining financial factor as to whether we should wed?

Signed,

Perplexed

(Sometimes, I feel like a personal advice columnist.)

Dear Perplexed,

Congratulations on your relationship with someone who is bringing you happiness! The question of whether or not to get married is a bit out of my area of expertise. You may wish to consult with a tax expert to find out whether there are any tax advantages to staying single or getting married. A financial adviser also could provide assistance on the benefits and drawbacks of getting married and co-mingling your finances. Another thing I would recommend attending to is something you’ve already begun to consider—estate planning issues such as health care directives, incapacity and wills. Also, premarital counseling with someone who specializes in this area could benefit you both.

The one thing I can help with in this situation is what to consider in terms of federal benefits. Here is a list of items employees should review during any life event during their career and even after retirement.

INSURANCE

Federal Employees Health Benefits Program. Marriage is a [life event](#) that allows you to change benefit options outside of the annual open season (starting 30 days before and up to 60 days after the event). Married couples can choose self-and-family coverage or the self-plus-one option, which is new for 2016. Legally married same-sex spouses and the children of [same-sex marriages](#) are eligible family members. Information on [same-sex domestic partner](#) benefits is available on the Office of Personnel Management's website. If you are getting divorced, your former spouse cannot be covered as a family member on your self-and-family enrollment. Your former spouse can have benefits under the [spouse equity provisions](#) that allow FEHB enrollment for eligible former spouses.

Flexible Spending Accounts. If you or your dependents experience a qualifying life event, you can enroll or change your current elections in the FSAFEDS Program. Your request, however, [must be consistent](#) with the event that prompted the election change. You must notify [FSAFEDS](#) anywhere from 31 days before to 60 days after the date of the event.

Federal Employees' Group Life Insurance. Update your FEGLI beneficiary designation ([SF 2823](#)). An employee who experiences a FEGLI qualifying life event has 60 days from the date of the event to elect basic and optional insurance: Option A, Option B (up to five multiples with no restrictions), and Option C (up to the maximum with no restrictions). Each Option C multiple equals \$5,000 in coverage for a spouse and \$2,500 for each eligible dependent child. For more information, refer to the [FEGLI Handbook](#). Retirees cannot increase their life insurance.

Federal Long Term Care Insurance Program. One of the myths of long-term care is that our family members will take care of us if we should need it. It seems like getting married would solve the issue of long-term care, right? Of course not. Read more about common [long-term care myths](#) online at the FLTCIP website. [Eligible family members](#) can enroll in FLTCIP, including your spouse.

RETIREMENT

FERS and CSRS. Update your CSRS ([SF 2808](#)) or FERS ([SF 3102](#)) beneficiary designation form. If you are married on the day of your retirement, your spouse is entitled to the maximum survivor annuity (50 percent of your unreduced FERS benefit or 55 percent of your unreduced CSRS benefit). If you elect a less-than-full or no benefit, then your spouse must provide notarized consent. The maximum survivor benefit election will cause a 10 percent (FERS) reduction or a little less than a 10 percent (CSRS) reduction to your retirement benefit. The benefit paid to a surviving spouse is for life (with the exception of remarriage before age 55, unless the marriage lasted at least 30 years) with cost-of-living adjustments.

If you or your spouse dies before retirement, the surviving spouse is entitled to survivor annuity benefits, if you have at least 18 months of service under CSRS. FERS participants must have at least 10 years of service and are entitled to a lump-sum death benefit, if they have at least 18 months of service. In cases other than accidental death, there is a requirement that your marriage has lasted at least nine months or until the birth of your first child (whichever comes first).

Social Security. Married couples can take advantage of [claim strategies](#) available to maximize their lifetime benefits. Social Security provides [benefits](#) to widows as well as spouses of covered workers. If you are receiving or are going to receive a CSRS retirement and didn't pay Social Security taxes, you could be affected by the Windfall Elimination Provision and/or the Government Pension Offset. The Social Security Administration provides fact sheets, calculators and other [information](#) to help government employees understand how these provisions might affect their benefits.

Former spouses. In many cases, benefits are paid on a first-come, first-served basis. This is true if there is a court order requiring CSRS or FERS retirement or survivor benefits to be paid to your previous spouse(s). If a former spouse was assigned your [FEGLI insurance](#), you might not be able to change the beneficiary. Monthly payments can be made to the former spouse of a deceased employee under a court order. The former spouse must also meet the nine-month marriage requirement. For additional information, refer to the [Court-Ordered Benefits for Former Spouses](#) pamphlet.

Interested in learning more about how marriage can affect your federal benefits? I will be presenting a free webinar,

[“Common Benefit Issues of Working Couples,”](#) with CPA Bob Leins on March 12 at 2 p.m.

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