

A Critical Part of Planning, By Any Estimation

By Tammy Flanagan

2:23 PM ET

Some years only have one Friday the 13th, but in 2015, there are three--and of course, one of them is this week. Maybe that's why I've been thinking about unlucky or unfortunate federal employees who are trying to plan for retirement. This week, when I visited two different federal agencies, I heard some troubling news.

Employees at some agencies are being told they can't request a retirement estimate unless it is part of their application for retirement. Others have been told they must rely on an online estimator until they are within a year of retirement, at which point they can request an estimate from a human resources specialist.

A retirement estimate provides valuable information to employees that not only helps them to plan for retirement, but to make sure they're getting credit for all the federal service they've performed.

A thorough review of an employee's service history will allow the employee to make sure that the agency has a record of his or her entire federal career. If something is missing from the employee's service history, early detection will allow time for the agency to help in locating missing records while the employee is still receiving a paycheck--rather than when he or she has already retired.

The service history also could show certain periods of work that are potentially subject to a service credit deposit. Many federal employees are not aware that they might have to pay money into the retirement fund to receive full credit for their temporary service, seasonal work, or military service. They also might have to repay refunded retirement contributions.

In the process of preparing a retirement estimate, an agency specialist may find an error in the employee's retirement coverage and begin taking the necessary and important steps to correct it. My colleagues who provide retirement planning seminars at federal agencies can attest to the fact that we consistently meet employees who are in the wrong retirement system. This will obviously affect their ability to properly plan for retirement.

I know this firsthand: My husband was in the wrong retirement system for eight years. I knew that his agency had misclassified him when he was hired, but since he would have been given an opportunity to elect to be in the Federal Employees Retirement System because of his particular situation and he would have chosen FERS anyway, we didn't address the issue until after the agency notified him of the mistake.

Another important consideration is that calculations of part-time, intermittent and "when actually employed" service, along with time spent in leave without pay status, can affect an employee's retirement computation and sometimes their eligibility for retirement.

Retirement estimates also can show a retiree with military service the difference between keeping their military and civilian careers separate for retirement purposes or combining them under a single civilian retirement benefit. There are two full chapters (129 pages) in the CSRS and FERS Handbook for civilian personnel and payroll offices that cover the creditability of active duty military service towards a civilian retirement. This is complicated stuff.

Finally, retirement estimates help employees see the benefit of working longer by allowing them to compare two potential retirement dates.

Common sense says planning for retirement needs to begin well before an employee submits an application for retirement. Getting a solid estimate of what the would-be retiree can expect in his or her golden years is a critical part of that process. If agencies expect employees to take more control of the retirement planning process, they should give them the tools to do so.

(Image via [Mr Doomits/Shutterstock.com](#))

By Tammy Flanagan

2:23 PM ET

<http://www.govexec.com/pay-benefits/retirement-planning/2015/03/critical-part-planning-any-estimation/107397/>