

Tips and Tricks for a Smoother Retirement

By Tammy Flanagan

March 17, 2016

According to the Office of Personnel Management, as of fiscal 2014, 2.7 million federal employees were covered under one of the government's two main retirement systems -- the Civil Service Retirement System and the Federal Employees Retirement System. At this point, more than 90 percent of them are in FERS.

There also were more than 2 million employee annuitants as of fiscal 2014 (the most recent year for which data are available) and more than 550,000 survivor annuitants.

Where's the most popular federal retirement destination? California, followed by Florida, Texas, Maryland and Virginia. The average CSRS annuity is \$3,400 per month, compared to \$1,300 for FERS.

Are you ready to join the ranks of the annuitants? If so, it's helpful to look at how the process plays out in the real world.

The Timeline

Here's how the timeline unfolded for two recent retirees under FERS:

Susan retired from the Food and Drug Administration on Nov. 30, 2015. She received a regular paycheck following her separation (federal employees are paid two weeks behind), and her annual leave payout came on Dec. 18. She received her first interim payment from OPM on Jan. 12, 2016 and her second on Feb. 1. Her retirement claim was completed and she received her final annuity amount on March 1. On the whole, she said it was a smooth process, made easier because OPM sent her a booklet that summarized her retirement benefit options.

Jim, on the hand, was a little surprised by the process, even though his timeline was similar to Susan's. He was expecting his first annuity payment on the date of his retirement. He had submitted his retirement application in August 2015, about four months before he wanted to get that payment. Instead, he received interim payments for December, January and February. Then he got his first regular annuity payment on March 1, with a retroactive payment back to his Nov. 1 retirement date.

The Process

According to Ken Zawodney, associate director of retirement services at OPM, one thing that federal employees can do to smooth the transition to retirement is to make sure the portion of the retirement application they are responsible for is fully complete and that they have provided all other necessary forms.

Here's a list of some of the documents you may need to submit to finalize your claim for CSRS or FERS retirement benefits:

- The application for immediate retirement. For CSRS, it's [Standard Form 2801](#). For FERS, it's [Standard Form 3107](#).
- The notarized consent of your spouse if he or she has agreed to less than the maximum spousal survivor benefits.
- If you're married, a copy of your marriage certificate.
- If you have been divorced, and your former spouse was awarded a portion of your retirement benefit or survivor's benefits, a certified copy of the divorce decree or court order. (For more information, see last week's column, [Breaking Up is Hard to Do.](#))
- Life insurance election ([Standard Form 2818](#)).
- Documentation of five years of coverage under the Federal Employees Health Benefits Program, to show you're eligible to maintain FEHBP coverage.
- Request to suspend FEHBP for those who wish to do so while they are enrolled in a Medicare Advantage health plan or TRICARE, TRICARE for Life, Peace Corps, or CHAMPVA ([RI-79-9](#)).
- Documentation of five years of Federal Employees Group Life Insurance coverage.
- Documentation of military service, if applicable. (It's generally available in your official personnel folder.)
- Documentation of your creditable civilian service that provides clear evidence of your federal career. (You should verify and review your creditable service with your agency's retirement specialist before retirement to make sure there are no missing records or discrepancies in your service history.)
- Updated beneficiary designation forms for CSRS, FERS or FEGLI if necessary. (CSRS: [Standard Form 2808](#); FERS: [Standard Form 3102](#); FEGLI: [Standard Form 2823](#))
- Voluntary contributions election for CSRS employees who have established a voluntary contributions account ([RI-38-124](#)).

Zawodney says there are three main reasons for delays in processing:

- The retirement package is incomplete -- for example, by not including important documentation or lacking a signature.
- The retirement application contains elements that create additional processing requirements, such as a court order or a FERS supplement.
- The applicant has to make multiple decisions, such as whether to pay a deposit for federal or military service, or to make voluntary contributions under CSRS.

OPM's Retirement Services unit tries to process cases in the order in which they arrive. But it can take longer when a claim is accompanied by a court order to pay benefits to a former spouse.

Help Yourself

OPM offers the [Retirement Services Online](#) website to allow retirees and survivors to manage their annuities, view personal data and request changes. It provides the following services:

- Change your federal and state income tax withholding
- Change your mailing address
- Change your password
- Establish an allotment to an organization
- Set up a checking or savings allotment
- Sign up for direct deposit of your payment
- Update your email address/opt-in to receive information electronically
- View/print 1099-R tax forms
- View/print verification of life insurance
- View the status of your case while in interim pay

As of February, OPM had a backlog of [22,692 claims waiting for processing](#). The agency processes about 80 percent of claims in 60 days or less after an agency sends them. The average processing time is 36 days. For the 20 percent of claims that take longer than 60 days, the average time is 96 days. So far, OPM has received 26,716 new retirement claims in 2016.

If you'd like more information, you may want to watch the recent webinar I presented for the National Active and Retired Federal Employees [Federal Retirement Benefits Institute](#): "Master the Process: From Federal Employee to Annuitant." These webinars are free for NARFE members.

Photo: [American Advisors Group](#)

By Tammy Flanagan

March 17, 2016

<http://www.govexec.com/pay-benefits/retirement-planning/2016/03/tips-and-tricks-smoother-retirement/126760/>