

The Importance of Accurate Information

By Tammy Flanagan

March 19, 2015

In some federal agencies, retirement counselors and specialists have very little experience these days. There's little incentive to stay in the job of human resources specialist if there are no opportunities for advancement. Recently, I learned that one agency requires their retirement counselors to move to a different job after two or three years in the position.

Here's why this bothers me: Would you expect your heating and air conditioning technician to move on and become a plumber after two or three years -- and then after that become an electrician? After two to three years as a retirement specialist, you're barely ready to work without supervision.

I've been a retirement specialist since 1986. Every year, I build on the knowledge and experience I've gained in the past. This is what makes my services valuable to the employees I meet.

When I first started, I worked with a supervisor who would review my work before it was sent on to the employee or to the Office of Personnel Management to be sure that it was accurate. Employees have shown me retirement estimates that contain multiple errors. Such incorrect information can cause employees to become alarmed and retirement specialists to lose credibility. Some errors can result in thousands of dollars difference in the computation of an employee's retirement benefit or an unpaid deposit into the retirement fund that can change the course of an employee's retirement decision.

Of course, in such situations, agencies assure employees that these are only estimates, not actual retirement calculations. But if the estimates aren't at least fairly accurate, how can employees use them to adequately plan for their retirement?

Retirement specialists should be able to explain how an estimate was determined. If you ask for a reference to a regulation that supports why you owe the amount of a deposit shown on your estimate, the specialist should be able to cite that for you. I find that many retirement counselors I meet at the agency level have not taken a basic class on computing retirement benefits and don't know how to explain concepts such as how service is credited toward retirement and the process of computing a high-three average salary. Sometimes they're not aware of how to research the regulations and guidance available to agency personnelists that supports the information provided to employees.

Many agency specialists are only shown how to use the software that does the computations for them. Unfortunately, the software is only as good as the user. If specialists aren't familiar with the rules about deposits, redeposits, creditable service and many other technical details, they are likely to produce estimates that don't reflect the retirement benefit an employee can expect to receive.

As in other specialties, experience is the key factor to success as a retirement specialist. If I were in charge, the career ladder would look like this: entry level retirement counselor at GS-7 or GS-9, then a journeyman level at GS-11 or GS-13. Supervisors would be GS-14 or GS-15, due to the responsibility of the job and the complexity of the rules and regulations -- which are constantly changing.

Great retirement specialists have above average intelligence, compassion for the employees they work with and common sense. At a lot of agencies, I'm not seeing these people. There are some in consolidated benefits centers serving large federal organizations, but these are also the places where I've seen the biggest backlog of work on actual retirement applications. As a result, many employees are told not to even bother requesting an estimate.

What Can Be Done?

First of all, this is not the fault of the retirement specialist who doesn't have the experience or training to do his or her job. There are many specialists who do have the knowledge, experience and character to provide excellent retirement counseling. They need to be recognized, compensated and rewarded for a job well done.

Those in charge of human resources operations at agencies need to understand the importance of counseling prior to an employee's retirement. OPM provides [guidance to agencies on retirement counseling](#) and [guidance for employees on planning and applying for retirement](#).

It's important to understand that when it comes to retirement planning, there's a big difference between the Civil Service Retirement System and the Federal Employees Retirement System. Under CSRS, an employee could retire without doing too much planning other than working from graduation from high school or college to age 55 or 60. CSRS is a single-benefit plan that doesn't require much effort from the employee to make it work.

FERS, on the other hand, is a three-tiered plan that requires significant "audience participation" because it involves such elements as Thrift Savings Plan investments. Employees under FERS need to know the value of their federal retirement benefits as they make career and life changes throughout their federal service.

This means that agencies should provide retirement planning assistance throughout an employee's career. And employees need to take more responsibility in understanding their own retirement. If you have the opportunity to attend a retirement planning seminar, webinar, class or presentation, take it.

When I first started conducting such seminars, I thought that by 2015, it would be unnecessary to provide individual retirement counseling because computers and automation would have made planning a seamless and precise operation. And significant aspects of the process have moved online. For example, you can [apply online for your Social Security benefit](#) and see your entire work history by requesting a Social Security benefit statement. The TSP has made major strides in allowing employees to [manage their accounts online](#). They even have a [library of YouTube videos](#) to help employees understand complicated investment concepts.

But in the area of gathering information about your CSRS or FERS retirement benefit, we're not there yet. In the meantime, be sure to learn about your benefits and take the steps necessary to ensure you'll have a successful retirement after your federal career.

(Image via [NAN728/Shutterstock.com](#))

By Tammy Flanagan

March 19, 2015

<http://www.govexec.com/pay-benefits/retirement-planning/2015/03/importance-accurate-information/107925/>