

5 Retirement Questions Only You Can Answer

By Tammy Flanagan

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There are some relatively simple things that everyone should know about their basic benefits under either the Federal Employees Retirement System or Civil Service Retirement System. This week, I want to present five straightforward questions covering the key items that allow you to transition from employee to annuitant. The answer to these questions vary according to work experience and other factors, so only you can answer them.

How old you must be and how much service you will need in order to be eligible for an immediate, voluntary CSRS or FERS retirement benefit?

Here's some basic information to guide you:

- [Age and service requirements for immediate retirement under FERS](#)
- [Age and service requirements for immediate retirement under CSRS](#)

If you've worked other than a full-time work schedule, it is important to factor in the impact of intermittent or when-actually-employed time, part-time work, and leave without pay periods during your federal career. (Bonus question: Can you explain the difference between an immediate and a deferred retirement?)

Remember, the age at which you are eligible to retire is not necessarily the age at which you can afford to retire. It's just the date on which you will be able to collect a benefit starting within 30 days of your separation from federal service.

What is your service computation date for retirement? Do you know the difference between your service computation date for leave and your service computation date for retirement?

The service computation date found on your Standard Form 50 (Notification of Personnel Action) was computed to determine the proper annual leave accrual of four, six or eight hours per pay period as well as to determine when your next step increase is due for pay purposes.

When it is time to determine retirement eligibility and calculation of your CSRS or FERS retirement benefit, there are factors that can impact your creditable service, such as service that was not covered by retirement deductions or service that might be creditable for retirement that may not have been previously credited for leave accrual. To learn more about your service computation date, see this column: [Computing Your Service](#).

What is the estimated value of your CSRS or FERS retirement benefit?

The Office of Personnel Management website provides the basics of CSRS and FERS retirement calculations:

- [Computing your CSRS retirement benefit](#)
- [Computing your FERS retirement benefit](#)

OPM, however, doesn't offer an online calculator to do it yourself. For that, you can try [FedCalc](#), a privately designed retirement estimator program.

The best place to get an accurate retirement estimate is your agency's human resources office. The problem you may encounter there is they they may not have enough staff to fulfill all of the retirement estimate requests they receive. Some agencies only provide estimates to those who are close to retirement.

What are the potential reductions to your basic benefit?

Once you've calculated your "unreduced" retirement benefit, then it's time to find out if your benefit will be subject to any further reductions. These could include reductions for age, survivor elections and unpaid deposits under CSRS. (Unpaid deposits and redeposits under FERS do not cause a reduction, but can affect the computation of and eligibility for retirement by affecting your service computation date).

I've written columns on each of these types of reductions over the years. They can be found in this [annual index](#) under the appropriate topic sub-headings.

What are the most common withholdings from your benefit?

These could include federal and state income tax and premiums for Federal Employees Health Benefits, Federal Employees Dental and Vision Insurance, Federal Employees Group Life Insurance and Federal Employees Long-Term Care Insurance.

It's a good idea to complete a "dummy" tax return using your estimated retirement income to understand the impact of taxes. Your retirement income will also

affect your Medicare Part B premiums and how much of your Social Security benefit will be taxed. Here are some tax planning resources:

- [IRS Publication 721](#), Tax Guide to U.S. Civil Service Retirement Benefits
- [Retirement Living State Tax Guide](#)
- [Kiplinger State by State Tax Guide](#)

Here are some federal resources on insurance benefits and retirement:

- [Continuation of Health Benefits After Retirement](#)
- [Continuation of Life Insurance After Retirement](#)
- [Transitioning your FEDVIP and FLTCIP to Retirement](#)

Some of you may already have started keeping a retirement folder or files of relevant information. This can be a great way to help visualize your retirement goals. Be sure to keep your records current as you get closer to your retirement date.

Finally, you have have noticed that this column didn't address the Thrift Savings Plan or Social Security retirement benefits. For many federal retirees, they're important pieces of the total income picture, but the first building block of federal retirement is the CSRS or FERS basic benefit.

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