

## Is Phased Retirement For You?

By Tammy Flanagan

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Slowly but surely, [phased retirement](#) is being rolled out in federal agencies. Assuming your agency provides the option, now or in the future, would you consider it?

There are several reasons why phased retirement might provide a good way to transition to retirement:

- You might love your job and your co-workers, but also be interested in working less than full time as you move towards full retirement.
- Phased retirement allows your Civil Service Retirement System or Federal Employees Retirement System benefit to increase as you work less than full time. If you were to retire first and then work part-time, your retirement benefit would not go up.
- Phased retirees who are over the [Social Security full retirement age](#) are no longer subject to an earnings limit and can choose to receive Social Security retirement benefits while continuing to work in phased retirement.
- Phased retirees who are age 59 ½ or older can take a one-time in-service withdrawal from the Thrift Savings Plan. This allows them to begin using their retirement savings during the period of phased retirement and continue to contribute to the TSP and (for those under FERS) receive agency contributions.
- The only withholdings from the CSRS or FERS partial retirement benefit during phased retirement are taxes. Survivor elections are deducted and insurance premiums are withheld after full retirement.
- During phased retirement the cost of living adjustments payable to retirees are included with the partial retirement benefit and the annual pay adjustments for employees are granted in the partial salary benefit.
- Phased retirees are eligible to continue to use annual and sick leave and accrue leave on a prorated basis.
- Phased retirees who are between age 62 and 70 can use the period of partial retirement to [increase the value of their Social Security retirement benefit](#) by delaying their application. Applying early causes a permanent reduction to the benefit and delaying the application past the FRA allows for delayed retirement credits to permanently increase the benefit.
- Phased retirement provides time to adjust to the emotions and activities of full retirement. According to *U.S. News and World Report*, [research indicates](#) that retirees who work part-time are healthier than those who transition abruptly into complete retirement. The same study showed that a phased retirement was also beneficial to mental health, if the part-time work was related to the retiree's previous career.

If you're interested in further exploring phased retirement, here are some resources from the Office of Personnel Management that might help you.

- [Information and Instructions for Completing a Phased Retirement Application Under CSRS](#)
- [Information and Instructions for Completing a Full Retirement Application under CSRS](#)
- [Information and Instructions for Completing a Phased Retirement Application under FERS](#)
- [Information and Instructions for Completing a Full Retirement Application under FERS](#)
- [Phased Employment / Phased Retirement Status Elections](#)

And here are a few of my previous columns on phased retirement:

- [Phased Retirement: The Bottom Line](#)
- [Phased Retirement Case Studies](#)
- [Let the Confusion Begin!](#)

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<http://www.govexec.com/pay-benefits/retirement-planning/2016/07/phased-retirement-you/130123/>