

8 Reasons Your Retirement Estimate May be Inaccurate

By Tammy Flanagan

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I've written several times in the past about the importance of getting a retirement estimate from your agency well in advance of your planned retirement date.

The only problem is that sometimes these estimates don't accurately predict what you can expect in retirement. Here are eight of the most common causes of an inaccurate retirement estimate.

1. Improper Documentation

If a portion of your federal career has not been properly documented in your electronic official personnel folder, then your agency will not be able to accurately account for your complete length of service needed to compute your retirement benefit. It is your responsibility to ensure that your eOPF contains the records that document your federal career.

When is the last time you looked at your eOPF? You should see a record of beginning and ending dates of every period of federal employment as well as records of military service and any other service that may be potentially creditable towards eligibility and computation of your federal retirement benefit. If you notice there are missing records that would document your career more accurately, contact a retirement specialist at your agency.

2. Sheer Complexity

Your estimate should be prepared by an experienced retirement specialist (as opposed to the [do-it-yourself methods](#)). The rules for crediting federal service towards the eligibility and computation of a Civil Service Retirement System or Federal Employees Retirement System benefit are, to say the least, complex. To understand just how complicated they are, take a look at Chapters 20-23 of the [CSRS and FERS Handbook for Personnel and Payroll Offices](#). In order to become an expert in how the rules have changed, you'd also have to look at the Office of Personnel Management's [benefits administration letters dating back to 1995](#), because the handbook hasn't had a complete update since then.

3. Coverage Errors

Tens of thousands of federal employees have been classified under CSRS or FERS who should have been put in the other system (or in [CSRS Offset](#)). Retirement coverage errors are corrected under another [set of complex rules](#) implemented after passage of the 2000 Federal Erroneous Retirement Coverage Corrections Act. Many FERCCA cases have been resolved, but others have yet to be discovered.

4. Changes in Coverage

Your retirement coverage may have changed during your career. You may have begun your service without coverage under CSRS or FERS because your appointment was temporary or seasonal. Later on, you may have switched from CSRS (Or CSRS Offset) to FERS. A change in retirement coverage could affect your eligibility as well as the calculation of your retirement benefit. Sometimes this also will require that you consider paying a civilian [service credit deposit](#) to avoid a reduction or in some cases, a loss of the service credit toward eligibility or computation of your retirement.

5. Resignations and Refunds

You may have previously resigned from federal service and were later rehired. When you left, you may have requested a refund of your retirement contributions. Your agency may not be aware that you got this refund and may not know whether you've paid a redeposit of the refund unless you provide documentation. Having an outstanding refund of retirement contributions will affect your retirement benefit.

6. Military Service Credit Issues

Active-duty military service is potentially creditable towards CSRS and FERS retirement benefits. If you served in the military, your agency may not be aware that you are already receiving retired pay or may be entitled to receive a military retirement benefit in the future under one of the reserve components of the armed forces. They may not know that you are a disabled veteran and are receiving some disability benefits from the Veterans Affairs Department. The agency may not even be aware of whether you've paid a [military service credit deposit](#). Retirement counseling should include information regarding your options for crediting active duty military service towards your civilian retirement benefit.

7. Working Less Than Full Time

Your agency may not have your complete work schedule history available to accurately compute periods of less-than-full-time service during your career. This can include periods of part-time, "when actually employed" or intermittent service. These records might be included in payroll information, but sometimes are not completely documented in personnel records. Working less than full time during your federal career can impact eligibility for retirement (in the case of intermittent and WAE service) and computation of your benefit.

8. Divorce

If you've been divorced, your agency retirement specialist is not equipped or authorized to compute the marital share of your retirement and survivor's annuity that might be payable to your former spouse. That's up to OPM. Here's [more information](#) from the agency on court-ordered benefits for former spouses.

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